



Ministry of Housing,  
Communities &  
Local Government

**Rt Hon Steve Reed OBE MP**

*Secretary of State for Housing, Communities &  
Local Government*  
2 Marsham Street  
London  
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[Representatives of Political Parties]  
By email

25 March 2026

Dear Colleague,

Today I have made an [oral statement](#) to Parliament, and published a [written ministerial statement](#), welcoming the recommendations of Philip Rycroft's [independent review](#) into foreign financial influence and interference in UK politics.

I am writing to you, as representatives of political parties, to set out further detail regarding the announcement made today to bring forward two new changes to political donations rules, which we intend to bring forward as amendments to the Representation of the People Bill, and which we intend to apply retrospectively.

**The Government has today announced two changes that it will legislate for in the Representation of the People Bill: (1) an annual £100,000 cap on total political donations and regulated transactions made by each overseas elector, and (2) a moratorium on political donations made using cryptoassets, of any amount.**

These changes are intended to strengthen protections against foreign financial interference in UK democracy and to maintain confidence in the transparency and integrity of political donations.

The Government intends to apply these restrictions retrospectively to donations received and regulated transactions entered into from today.

Subject to Parliamentary approval, once the relevant provisions are in force, political parties and all other entities subject to donations rules in PPERA, will have 30 days to return any donations received, or regulated transactions entered into, on or after the date of today's announcement that fall within these restrictions.

We intend for these changes to apply to all regulated recipients of political donations, and to elections in the UK. This will include to candidates and third-party campaigners at the upcoming English local elections, Scottish Parliament elections and Senedd elections. The Government will work with devolved governments to secure legislative consent where required.

We advise political parties to carefully consider the announcement made today, disseminate key information amongst their parties to inform all those who will be impacted by the proposed new rules, and to consider any further guidance issued by Government or the Electoral Commission.

## ***Cap on donations from overseas electors***

The Government will introduce an annual cap of £100,000 on the total value of political donations and certain regulated transactions made by an overseas elector.

For these purposes, an overseas elector is an individual registered on an electoral register in pursuance of an overseas elector's declaration. While overseas electors are legally entitled to vote and to participate in the political process, the Government considers it appropriate and proportionate to limit the total amount they can donate in any given year, reflecting their more limited connection to day-to-day life in the UK and the heightened risk of foreign financial influence.

The cap will apply on an aggregate basis. It will cover the combined value of all donations and relevant regulated transactions made by the same overseas elector within a single calendar year, across all regulated recipients. Where a donation or transaction would cause the cap to be exceeded, the overseas elector would be treated as an impermissible donor or participant in relation to that donation or transaction, and it must not be accepted.

This approach reflects the recommendations of the independent Rycroft Review on foreign interference, which concluded that overseas electors present a distinct risk profile and recommended placing a cap on their political donations. The Government considers £100,000 to be a clear, workable and proportionate limit that protects the integrity of the system while allowing legitimate political participation.

The Bill will not alter the long-standing rules that allow Irish citizens to make donations to political parties in Northern Ireland, reflecting Northern Ireland's unique context. The overseas electors donation cap applies only to overseas electors and does not apply to Irish donors that are permissible donors based on Irish citizenship.

Political parties will want to consider ensuring that their internal systems are capable of identifying overseas electors and tracking donations and relevant transactions received from the date of the announcement. Political parties will want to consider whether they refuse a donation from, or choose not to enter into any regulated transaction involving, an overseas elector that would otherwise exceed the cap.

In the event that such a donation is inadvertently accepted or a regulated transaction is inadvertently entered into a political party should be ready, based on their internal systems, so that any required returns or repayments can be made promptly once the provisions commence in the 30 day period described.

## ***Cryptoassets moratorium***

The Government will introduce a moratorium on the use of cryptoassets to make political donations. This will apply to cryptoassets donations of any value, including donations valued below the existing donation thresholds in law of £500 (or £50 for candidates).

This policy decision has followed a recommendation made in the Rycroft review. We have accepted the recommendation for a moratorium on the use of cryptoassets as political donations in order to safeguard the integrity of our political finance system from foreign interference.

We would intend for the moratorium on cryptoasset donations to end once the Electoral Commission and Parliament are confident that the regulatory environment around cryptoassets is robust enough to protect the integrity of our political finance system from foreign interference.

Political parties will want to consider refusing future donations (of any value) made wholly or partly with cryptoassets. If they are inadvertently retained, parties will want to consider taking steps so that any required returns or repayments can be made promptly once the provisions commence.

Thank you for your cooperation in this important matter.

Yours sincerely,

A handwritten signature in dark ink that reads "Steve Reed". The signature is written in a cursive style with a horizontal line underneath the name.

**RT HON STEVE REED OBE MP**  
Secretary of State for Housing, Communities & Local Government