



Government of the United Kingdom

Ministry of Housing, Communities  
and Local Government

# **The Rycroft Review: HM Government Response**

Response to the independent review into countering foreign  
financial interference and influence in UK politics

Presented to Parliament by the Secretary of State for Housing, Communities and Local  
Government by Command of His Majesty

July 2026

CP 1636



© Crown copyright, 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3)

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.uk/official-documents](https://www.gov.uk/official-documents).

Any enquiries regarding this publication should be sent to us at

Ministry of Housing, Communities & Local Government  
Fry Building, 2 Marsham Street  
London SW1P 4DF  
Tel: 030 3444 0000

978-1-5286-6635-0

E03632007 July 2026

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd on behalf of the Controller of His Majesty's Stationery Office.

# Contents

## Table of Contents

Foreword from the Secretary of State for Housing, Communities and Local Government .....	6
Introduction .....	8
Political Finance .....	9
Political Parties.....	14
Effective Enforcement.....	18
Wider Influencing Environment and Government Prioritisation .....	22
Conclusion.....	26

# Foreword from the Secretary of State for Housing, Communities and Local Government

I am proud to publish the Government's full response to Philip Rycroft's comprehensive, thoughtful and hard-hitting review of foreign financial interference in the United Kingdom's democratic system. We do so ahead of the Commons Report Stage of the Representation of the People Bill because this Government is determined to act – and act now – to defend the integrity of our democracy.

Free and fair elections are the foundation of our country. They are how the British people choose who governs and they must never be compromised. This Government is absolutely clear: there is no place for foreign interference in our democracy. We will not tolerate attempts by hostile actors, be they states or individuals, to undermine what we hold so dear or to influence the outcomes of our elections.

The threat we face is real, persistent and evolving. But so too is our response. The UK already has one of the strongest frameworks to detect, deter and disrupt foreign interference. The National Security Act 2023 has transformed our ability to confront hostile state activity head-on, while the Counter Political Interference and Espionage Plan will ensure a coordinated and relentless effort across the whole of Government to protect our political system.

The Government is going further still. Through the Representation of the People Bill, we are strengthening transparency in political finance, tightening the rules on donations, closing loopholes and making it harder than ever for those who would seek to exploit our system. We are not standing still – we are taking decisive action to meet the challenges of today.

But we cannot be complacent. Those who seek to interfere in democracy are adapting – using new technologies, new channels and new tactics to evade detection. Our response must mirror this. That is why we commissioned Philip Rycroft: to challenge us, to test whether what we have is strong enough and to set out what more must be done. His review does exactly that.

We have already provided an initial response to Mr Rycroft's findings, having committed to a cap on donations from overseas electors and a moratorium on political donations made via cryptoassets – ending routes that could otherwise be used to channel money into our system without sufficient scrutiny. We are now accepting all the recommendations made by Mr Rycroft and moving forward with a wide-ranging programme of reform: strengthening enforcement, enhancing transparency, bolstering the powers of the Electoral Commission and addressing vulnerabilities in the fast-moving online environment. Where we can legislate now, we will. Where further work is required, we will move at pace to deliver it.

This Government will defend the UK's democracy with determination and resolve. We will root out vulnerabilities to ensure that the voice of the British people alone decides the future of this country.

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

# Introduction

The UK's democratic system must be protected from malign influence. We live in an increasingly complex global environment with a pace of change unlike that of any other time. Attempts to exploit financial channels to interfere in political processes present a serious and evolving risk. The Government is clear that such activity, and those who peddle it, have no place in our democracy. Safeguarding the integrity, transparency and resilience of the UK's system of political finance is therefore fundamental to maintaining public trust in our institutions, both nationally and internationally.

The Government commissioned the independent Rycroft Review to examine the nature of these risks and to assess whether the existing framework remains fit for purpose. The Review provides a detailed and evidence-based assessment, alongside recommendations to strengthen the UK's safeguards against foreign financial influence and interference. The Government welcomes this work and the contribution it makes to cementing our collective resilience.

The UK already has a strong regulatory framework governing political finance. However, the Government is clear that protections must continue to evolve to keep pace with emerging threats and we have already publicly confirmed we will take forward key recommendations from the Review to introduce caps on donations from overseas electors and a moratorium on cryptoasset donations.

This response sets out the Government's position on the Review's recommendations in full and the decisive action we will take to protect and strengthen safeguards, close potential loopholes, and harden the UK's defences against foreign financial influence. These reforms will largely be progressed via amendments to the Representation of the People Bill, currently before Parliament. Where utilising the Bill is not a viable or appropriate option, other methods will be deployed to ensure work is progressed efficiently and effectively.

The Government will not hesitate to act where risks are identified and will move at pace to implement reforms that protect the integrity and security of the UK's democratic system, ensuring it remains robust, transparent and resilient in the face of evolving threats from those who wish to do it harm.

# Political Finance

***Recommendation 1: Overseas Voters: There should be an annual cap on political donations from British voters living abroad.***

***Recommendation 2: Corporate Donations: The corporate donation test in the Representation of the People Bill should be amended to one based on post-tax profits, and no corporate donor should be able to donate more than their post-tax profits into UK politics in any given year.***

***Recommendation 3: Cryptoassets: The government should legislate in the Representation of the People Bill to introduce a moratorium on political donations made in cryptoassets.***

***Recommendation 4: Campaign Donations and Spending – Transparency: Non-party campaigner and candidate campaign spending should come from permissible donors and reporting and transparency requirements should apply to these groups year-round.***

***Recommendation 5: Checks on Donations: ‘Know your donor’ provisions in the Representation of the People Bill should be further developed to more closely mirror the customer due diligence provisions in the anti-money laundering regulations.***

The Government recognises the risk posed by malign actors who seek to interfere with and undermine our democratic processes. Safeguarding the integrity, transparency and fairness of our electoral system is a fundamental priority. As pledged in our manifesto, we are strengthening the rules around donations to political parties to ensure they are robust and offer the right protections against evolving threats.

The Representation of the People Bill (RoPB) currently before Parliament will introduce a robust package of reforms to protect against foreign interference, improve transparency in political funding, strengthen due diligence requirements on donations and close existing loopholes. Together, these measures will increase public confidence in the integrity of our democratic institutions.

The Government accepts Recommendations 1-5 of the Rycroft Review and, where primary legislation is needed swiftly, will take forward their implementation through the RoPB.

In respect of recommendations relating to overseas donations and emerging financial risks (Recommendations 1 and 3), the Government has already confirmed its intention to introduce a cap on donations from overseas electors and a moratorium on donations made via cryptoassets.

While many donations from British citizens living abroad are legitimate and lawful, the Government recognises the inherent complexity in tracing the true source of political donations made by overseas electors due to the very nature of their overseas residence. The Government also recognises the concern raised by Mr Rycroft regarding the democratic fairness of allowing large donations from British citizens living – and therefore having their wealth taxed - abroad. A cap on the amount overseas electors can donate therefore provides an additional, proportionate safeguard against the risk of this route being used to channel illicit funds. An amendment to the RoPB will place an annual cap of £100,000 on the total value of donations an overseas elector may make, and/or regulated transactions (such as loans) that an overseas elector can participate in.

This cap will apply to all political donations from overseas electors made on or after 25 March 2026, so donations made following that date which exceed the cap will need to be returned. Regulated transactions involving an overseas elector as a participant that breach the rules will also become void upon the coming into force of the relevant provisions and any monies owed under them will have to be repaid. The full detail of how this retrospective period will operate has been set out in correspondence to political parties and published on GOV.UK for reference. The retrospective approach here is deemed necessary as there is a clear, time-critical risk of evasion that would otherwise undermine the purpose of this measure if brought in at a later date.

The cap will be accompanied by a “minimum residency” period during which an overseas elector who returns to the UK will remain subject to the £100,000 cap until they have been back in the UK for a full calendar year. This provision will also apply retrospectively from 25 March 2026 removing the opportunity for individuals to seek to circumvent the strengthened regime.

We will also apply the cap and a minimum residency period to other individuals who move to the UK and who were not registered as an overseas elector when outside the UK. We want to ensure that such individuals do not seek to get around these rules by moving to the UK before the rules come into effect. We will therefore apply retrospectively a slightly modified annual donation cap (£100k per recipient) for those individuals where they move to the UK and make a donation between the date of publication of this response to the Rycroft Review and the date of commencement of the measures. Once the measures have commenced, all donors will need to make a declaration at the point of donation to confirm their status as an overseas elector or as

subject to the minimum residency period and that their aggregate donation remains within the annual cap, supporting effective compliance and enforcement.

The moratorium on political donations made via cryptoassets will apply to all political donations of any value made through cryptoassets on or after 25 March 2026, with a 30-day period following commencement of the provisions for any previously accepted cryptoasset donations to be returned or forfeited.

The anonymity inherent in cryptocurrency transactions creates a clear route for foreign or illicit actors to channel money into our politics, and that is why we agree that a moratorium is necessary until the regulatory environment around cryptoassets is robust enough to protect the integrity of our political finance system from foreign interference.

In response to Recommendation 2, the existing provisions in the RoPB introduce strict new eligibility criteria which companies must meet in order to make political donations. Companies (and limited liability partnerships) making donations will be required to demonstrate a genuine and substantive connection to the UK or Ireland, preventing the use of shell companies to channel foreign or illicit money into UK politics.

The Review highlights loopholes in this proposed system, which the Government accepts in full. We will therefore introduce an amendment to the RoPB to replace the revenue test with a post-tax profit test measured over five years. This will enable corporate permissibility to be assessed against profits rather than revenue, closing a key loophole and strengthening the integrity of corporate political finance. Some legitimate companies are not set up with the explicit purpose of making profit, and it would not be fair to automatically exclude them from making political donations where they would otherwise be able to donate. Therefore, we will use a definition of profit which accommodates different types of organisations.

It is imperative we ensure the package of reforms in this area are coherent, robust and enforceable. We are therefore also introducing a requirement for donors making donations over a certain threshold to submit a declaration. This will ensure that both recipients of donations and the Electoral Commission have the information necessary to comply with and enforce the law.

Further, recognising the residual concerns that bad actors could still use cryptoassets to channel impermissible funds into fiat currency and make a political donation, the declaration will require the donor to state whether the funds have been converted from cryptoassets. Where fiat funds have come from cryptoassets, we will oblige recipients to take extra steps to determine that the funds are permissible.

The approach of a declaration for donors making donations over a certain threshold is necessary to fully and effectively implement the recommendations from the Review,

and we will take care to ensure that the declaration process is designed in such a way as to achieve this without creating unnecessary administrative burden for parties and donors. We will consult with the Electoral Commission and political parties over the coming weeks on the detail of this declaration and its practical operation, in order to achieve this.

With regard to Recommendation 4, the Government accepts the case for strengthening the rules for candidate donations used to fund campaign activity to ensure non-party campaigners and candidate spending are from permissible donors, thereby strengthening protections against foreign financial interference.

Through the RoPB we will introduce permissibility requirements for candidate donations used to fund campaign activity: candidates will be required to provide a declaration to confirm donations used to fund campaign activity prior to an election are from permissible sources, addressing the current gap outside of the regulated period associated with an election and for non-incumbent candidates. In addition, donations received prior to candidacy which exceed £2,230 will need to be declared by candidates, providing a practical means of ensuring transparency and enforceability of the regime.

Mr Rycroft also makes recommendations regarding non-party campaigners and campaigning definitions. We agree that the current rules fall short of protecting against foreign interference in our democracy and political discourse. It is imperative, however, that any action in this area focuses on impermissible and malign activity, and does not unduly limit or burden individuals and campaign groups in exercising their right to civic advocacy and democratic participation. As Mr Rycroft recommends, we therefore commit to consultation and further work to develop proposals to amend the non-party campaigning rules.

In response to Recommendation 5, the Government agrees that strengthened “know your donor” requirements are essential to mitigating the risks of illegitimate or foreign funding. The new “Know Your Donor” (KYD) scheme being introduced via the RoPB will require recipients of donations over £11,180 to consider the risk of those donations being from illegitimate sources.

As recommended, we will enhance the currently proposed scheme by including ‘location’ as an explicit risk factor in donations checks. We agree with Mr Rycroft that ‘large-value donations’ warrant extra due diligence. The value of a donation is already captured within existing risk assessment factors in our current measure, and we commit to working with the Electoral Commission with regard reinforcing the risk associated with very large donations through guidance.

This approach will therefore support more effective due diligence as recommended by the Rycroft Review, whilst maintaining “Know Your Donor” as a risk-based, enforceable

regime designed to achieve a comparable protective effect to the anti-money laundering standards without duplicating existing regulatory regimes.

Taken together, these reforms build on those already brought forward in the RoPB to deliver a significant strengthening of the UK's political finance framework. The Government will continue to work closely with Parliament, the Electoral Commission and other stakeholders to ensure that these measures are implemented effectively and proportionately, reinforcing confidence in the resilience and integrity of our democratic system.

# Political Parties

***Recommendation 6: Internal Policies and Procedures: The Electoral Commission should work with political parties and the Ethics and Integrity Commission to develop a non-statutory code of conduct to ensure that robust procedures are in place within parties to equip party officials better to deal with the threat of foreign financial interference.***

The Government notes the Electoral Commission's role in delivering this recommendation and we are engaging closely with them to understand their intended approach.

We recognise the importance of having clear and robust procedures in place and the value this brings to strengthening parties' internal resilience while providing a consistent framework to manage and mitigate the risks of foreign financial interference. Discussions are ongoing, and we stand ready to support the Electoral Commission in the actions it takes in line with its regulatory responsibilities.

We will continue to work collaboratively with the Electoral Commission and wider stakeholders to ensure that any measures are effectively implemented, drawing on the Government's wider programme of electoral reform.

***Recommendation 7: Standardising Reporting: The Electoral Commission should mandate political parties to submit their annual reports and accounts and campaign spending returns in a standardised format.***

Robust regulation and enforcement of political finance rules is fundamental to maintaining public confidence in the UK's democratic system and safeguarding it against risks, including the threat of foreign interference and undue influence.

Transparency in how political parties and campaigners report their finances is a critical component of that system. The Government agrees with the Review that greater standardisation of reporting formats would support improved scrutiny, enhance comparability of data and strengthen accountability across the political finance regime.

The Government therefore accepts Recommendation 7 of the Review and will legislate through the RoPB to provide the Electoral Commission with a clear and consistent statutory basis to prescribe standardised reporting formats for political finance returns across the political finance regime. In doing so, we will amend the Political Parties, Elections and Referendums Act 2000 (PPERA) to align the relevant provisions across party campaign spending, third-party campaigning and referendum expenditure,

aligning the language in statute and the policy rationale across the various areas encompassed by political finance. These changes will ensure that the Commission can require the use of prescribed forms where appropriate, while retaining the discretion to allow flexibility where a mandatory approach would not be proportionate. This approach balances the need for consistency and transparency with the practical realities faced by campaigners.

Providing a more explicit statutory footing for standardised reporting will reduce variability in how financial information is presented, making it easier for regulators, enforcement bodies and the wider public to interpret and compare data. It will also support more effective oversight by the Commission and help ensure that potential risks such as complex spending arrangements can be more readily identified and scrutinised.

Alongside these legislative changes, the Government agrees that the categories used to support campaign spending should be updated to reflect modern campaigning practices, particularly in the context of increased digital activity and evolving methods of political engagement. We will therefore work closely with the Commission to review and modernise these categories using existing powers to introduce secondary legislation where needed following consultation. This will ensure that reporting requirements remain relevant and capable of covering the full range of campaign expenditure in a way that supports transparency and demonstrates trust.

Taken together, these reforms will strengthen the integrity and accessibility of political finance reporting, ensuring the regulatory framework keeps pace with changes in practice while remaining proportionate and deliverable. The Government will continue to work in partnership with the Commission and other stakeholders where appropriate to ensure that implementation is effective and that benefits are realised across the system.

***Recommendation 8: Information Sharing: The Electoral Commission should coordinate with government, the security services and the police to ensure that political parties receive regular updates on the threat landscape, so that they have a comprehensive and up-to-date picture of the risks around foreign financial interference.***

The Government agrees on the critical importance of ensuring that political parties have access to timely, authoritative information on the threat landscape, including risks relating to foreign financial interference. Strengthening awareness across the democratic system is a central part of protecting the integrity of our elections and political processes. Ensuring that those operating within that system are equipped to identify, manage and report potential threats is therefore a priority.

Providing clear guidance on how to recognise, report and respond to such threats is a key strand of the Government's Counter Political Interference and Espionage Action Plan, announced by the Security Minister in November 2025. The work is designed to improve situational awareness across democratic institutions, enhance protective security measures and ensure that channels for escalation and response are well understood and effective. It reflects a broader approach to safeguarding democratic participation from hostile state activity.

Indeed, significant steps have already been taken to strengthen information sharing and engagement across the political system. In October 2025, the National Protective Security Authority (NPSA) issued tailored guidance for all individuals working in UK democratic institutions on identifying and mitigating the risks of foreign interference and espionage. NPSA has also committed to deepening its engagement with senior officials within political parties, including through the provision of annual threat briefings.

This activity is complimented by direct engagement from the security and intelligence services. In November 2025, MI5 issued a security alert to MPs, Peers and Parliamentary staff highlighting attempts by foreign states to target individuals with access to sensitive information about the British state. These interventions demonstrate an increasingly proactive approach to threat communication, ensuring those at potential risk are both informed and able to take protective action.

Building on this, in February 2026, the Electoral Commission convened a cross-sector security briefing for political parties, bringing together representatives from across the national security community, including the Security Minister, the MI5 Director General, and the Chief Executive of the National Cyber Security Centre. This marked a significant step in strengthening coordination and ensuring that political parties receive a coherent and consistent picture of the threat environment which draws upon the latest intelligence information.

The Government agrees that the Electoral Commission has an important convening role to play in supporting this work, particularly in ensuring that information is shared in such a way that is accessible, consistent and reaches everyone who needs it. We will continue to work closely with the Electoral Commission and support them in this regard, working collaboratively to develop a forum of parties which will receive annual security briefings. Looking ahead, the Government will build on these arrangements to ensure that information sharing is as structured and comprehensive as possible. This will include continuing to develop mechanisms for routine engagement with political parties, and improving the clarity and useability of guidance and threat briefings. We will also continue to explore whether further enhancements are needed to ensure that information flows are coherent.

Through these measures, the Government will ensure that political parties are better equipped with the knowledge, tools and support they need to understand and respond to threats of foreign interference, thereby strengthening the resilience and integrity of the UK's democratic processes.

# Effective Enforcement

***Recommendation 9: Investigatory and other powers of the Electoral Commission: The information-sharing powers of the Electoral Commission should be extended, so that it can not only share information with other agencies, but also require information of them.***

***Recommendation 10: Investigatory and other powers of the Electoral Commission: The powers of the Electoral Commission should be extended to allow it to require information from any person or organisation who may hold relevant material that it reasonably requires for the purposes of carrying out its functions.***

Robust regulation and enforcement of political finance rules is crucial for ensuring their integrity and combatting the threat of foreign interference. As the regulator, the role of the Electoral Commission is invaluable in upholding trust in our democracy.

The Government is already taking action, through the RoPB, to strengthen the role and powers of the Electoral Commission in order to maximise impact of reforms being made to the political finance rules. We therefore welcome Recommendations 9 and 10 on the Commission's information sharing and investigatory powers and accept them both in full in order to ensure the Commission is equipped to effectively regulate political finance.

In response to Recommendation 9, and building on provisions already set out in the RoPB which enable the Commission to share information with specified regulators and enforcement bodies, we will establish a broad, reciprocal statutory gateway for information sharing. This will address the asymmetry identified in the Review of the current information sharing provisions. We will amend the RoPB to enable the Electoral Commission to share information with, and receive information from, relevant public authorities where the disclosure of information supports the discharge of its functions.

With regard to Recommendation 10, we will extend the Commission's powers to require disclosure of information outside of a formal investigation. By amending the RoPB to expand this power beyond specified regulated entities to any person or organisation, the Commission will be able to more proactively monitor compliance, support timely regulation during election periods and take a more proportionate and effective approach to enforcement. It will also allow issues to be resolved as appropriate without the need to launch a full investigation and enable the Commission to establish more quickly whether there are grounds to suspect an offence requiring further action.

Taken together, these reforms will ensure the Electoral Commission remains well-equipped to discharge its functions effectively and to uphold the integrity of the political finance framework.

***Recommendation 11: Investigation and prosecution of offences: The government, as part of the forthcoming reform of police structures, should ensure the creation and resourcing of a centre of police excellence to pursue the investigation of complex criminal offences under electoral law involving foreign interference in UK politics***

The Government agrees that improvements are needed to the current framework enforcing the political finance rules. As the regulator, the Electoral Commission plays a central role in upholding trust in the system. The RoPB, alongside secondary legislation, will strengthen and extend the Commission's remit and powers, improving deterrence and enabling policing resources to focus on the most serious criminal cases, including foreign interference. Wider reforms recommended by the Review, including enhanced information sharing and gathering powers (Recommendations 9 and 10) and changes to the burden of proof and sentencing limits (Recommendation 12), will further strengthen the overall enforcement framework.

At the most serious end, Counter Terrorism Policing (CTP) already provides a specialist, national capability for investigating state-linked threats. CTP's counter-state threats mission, delivered in close coordination with MI5, leads investigations into activity that is covert, coordinated or linked to foreign intelligence services or their proxies. This includes the most serious instances of foreign interference in UK politics. This capability brings together the intelligence, legal and investigative expertise required to pursue complex cases and therefore constitutes a core element of the system's response.

Alongside this, electoral crime enforcement is supported by a networked policing model led by the City of London Police, with centrally based specialists providing advice and coordination to Single Points of Contact across forces. This approach allows expertise to be deployed flexibly and has proved effective at managing demand, particularly during election periods. However, it is not currently configured as a separately resourced, standing capability, and scaling this model to meet more complex or sustained demand would require consideration of further investment and structures.

Taken together, these arrangements already provide elements of a "centre of excellence" in practice, combining specialist national capability for the most serious state-linked threats with a coordinated network for wider electoral offences. The

Government has announced plans to establish a new National Police Service (NPS), which will in due course incorporate Counter Terrorism Policing functions. This provides a clear opportunity to strengthen and formalise these capabilities, including consideration of how different functions could be brought together to deliver a more consistent and visible response. The Police Reform Bill, due to be introduced later this year, will be critical to making this possible.

The Government therefore agrees in principle with the spirit of Recommendation 11. It is essential that policing has the specialist expertise, coordination and capacity at the national level to investigate and prosecute the most serious breaches of electoral law, particularly those involving foreign interference. We will work across government and with policing partners to ensure that forthcoming reforms provide a strengthened and more coherent capability in this area, having regard to the findings of the Review, and consider how to deliver this.

***Recommendation 12: Burden of proof and sentencing limits: The Political Parties, Elections and Referendums Act 2000 should be amended to reduce the burden of proof for criminal offences to show that an offender might have ‘reasonable cause to suspect’ that they were committing a crime and the sentencing associated with each criminal offence under the Act should be reviewed, to ensure it matches the seriousness of the offences.***

The Government is clear that the enforcement framework governing political finance must provide a strong, credible and effective deterrent against wrongdoing. We therefore fully accept the underlying intent of Recommendation 12.

It is important to ensure that both evidential thresholds and sentencing provisions support, rather than hinder, the effective investigation and prosecution of serious offences, particularly where such offences may undermine public confidence in the democratic process or create opportunities for illicit influence. A framework that is unable to respond effectively to deliberate breaches risks weakening trust in the transparency and fairness of elections and political finance more broadly.

We recognise the importance of ensuring that the evidential threshold for offences and the sentencing framework under the Political Parties, Elections and Referendum Act 2000 (PPERA) do not inadvertently restrict effective criminal investigation and prosecution of serious wrongdoing, or fail to reflect the potential harm such offences can cause to public confidence.

However, the Government also considers that the issues raised by this recommendation are complex and require careful analysis. Changes to the knowledge test and sentencing limits raise complex issues of proportionality, fairness and

coherence across the wider criminal and electoral law framework. In particular, any such moves must be carefully balanced to avoid individuals being brought into scope who are engaged in legitimate campaign activity with no intention to evade the rules, but who may make inadvertent errors or omissions. Similarly, changes to custodial sentence levels must be considered alongside comparable offences to remain fair and proportionate.

Significant changes to criminal thresholds and sentencing length require a longer process of analysis and consultation than is possible to deliver in the timeframes of the RoPB. We will however work at pace to develop proposals and bring these forward via a suitable legislative vehicle following engagement with law enforcement, the Electoral Commission, prosecuting authorities, devolved governments and political parties.

Our objective will be to ensure that the criminal enforcement framework for political finance is robust, proportionate and effective; capable of deterring and addressing serious wrongdoing while maintaining fairness for those participating in our democratic processes in good faith. In doing so, we will ensure that the system continues to uphold the integrity, transparency and public confidence that are essential to the functioning of our precious democracy.

# Wider Influencing Environment and Government Prioritisation

***Recommendation 13: Foreign interference and the online world: Dealing with hostile state online interference should be a far higher priority for government. There should be clear lead accountability at ministerial and senior official level for leading the work to combat foreign online political interference, with resources commensurate to the challenge this poses to our democracy.***

***Recommendation 17: Given the on-going challenge to the integrity of our democracy, the Cabinet Secretary should give a clear signal of the priority to be afforded to this agenda by allocating to a Permanent Secretary lead responsibility for sustaining our democracy and coordinating the response to the threats to it.***

The Government recognises the Review's emphasis on the need for stronger coordination, accountability and resourcing across Government to address the growing challenge posed by hostile state activity to the UK's democratic processes. We agree that this is a significant and evolving threat, and that the Government's response must reflect the scale and the complexity of the challenge. This is why we will take forward work to strengthen our response to foreign interference in the online environment and the senior leadership which underpins it.

We welcome Recommendation 13 and the need to prioritise action to address hostile state activity in the online information environment, The Government agrees such activity poses a significant and evolving risk to the integrity of our democratic processes.

Work is already underway across Government to strengthen the coherence and effectiveness of its collective approach to tackling online information threats as a vector for political interference. This includes enhancing our capability to identify, assess and respond to existing and emerging threats, and ensuring that activity is better coordinated across departments and the wider community.

Our approach to state-directed online political interference must also be considered within the context of the Government's wider response to political interference and hostile state threats. The National Security Act 2023 and the Counter Political Interference and Espionage Plan provide a strengthened framework to counter malign foreign influence, reflecting that hostile actors frequently operate across numerous vectors to achieve their aims. State actors such as Russia, for example, routinely engage in information threats, cyber, and wider offline interference targeting UK politics to advance their goals.

In this context, the Government's policy, governance, capabilities and resourcing need to correspond with the full range of hybrid threats. We will therefore take forward work to ensure that our response to online information threats is fully integrated within this broader national security framework. Through these measures, the Government will continue to strengthen its ability to detect, deter and respond to foreign online political interference.

More broadly, the Government agrees that the escalating threat to our democracy necessitates a coherent, well-coordinated response and clear accountability at the official level, as set out in Recommendation 17. Accordingly, the Cabinet Secretary has accepted this recommendation and appointed the Permanent Secretary of the Home Office to this critical role.

Reporting directly to the Cabinet Secretary, the Permanent Secretary will set the strategic direction for the Defending Democracy Taskforce, coordinate cross-government delivery priorities, and hold departments accountable for meeting these critical commitments.

Taken together, these measures strengthen both the Government's capability to address foreign interference in the online environment and the leadership structures needed to coordinate that response effectively. In so doing, the UK will be better equipped to detect, deter and respond to hostile activity, and to safeguard the integrity and resilience of our democratic processes.

***Recommendation 14: Online Political Advertising: The government should further tighten the regulation of online political advertising, by banning foreign-funded adverts outright and ensuring that imprints include who has paid for them.***

The Government recognises the growing risk posed by foreign interference in British politics including through the use of online political advertising. The Review highlighted the potential for foreign funds to be used to influence UK voters, particularly through activity that falls below existing regulatory thresholds or outside regulated periods. We are clear that there is no place for foreign interference in our democracy, and agree with the intent of Recommendation 14 to eliminate the risk of low-level foreign funded online political advertising.

However, we are highly conscious that new regulations for online political advertising have to be effectively designed, enforceable, and can be sustained by online platforms. In both the EU and Canada, new restrictions had a substantial impact on the willingness of major platforms to host political advertising in its entirety. There is consequently a risk that swift implementation of this recommendation could lead to consequences that extend significantly beyond foreign funded activity.

As such, we are committed to identifying the best solution to address the risk of low-level foreign funding of political advertising but recognise it needs to operate effectively. This work will include consideration of the non-party campaigning rules which Mr Rycroft makes reference to, but also wider options to ensure that any proposal does not lead to unnecessary burden on legitimate, UK-based, smaller campaign groups which seek to participate in our democracy. We will set out proposals in due course.

Imprint rules play a vital role in upholding trust in our democratic process by ensuring voters can see clearly who is behind political campaigning material. The RoPB already builds upon the existing framework by extending the requirements to ensure that third-party campaigners include imprints on their organic digital campaigning material, representing a significant step forward in improving the visibility of who is behind online political content. We welcome the recommendations the Review has made to build further on this. We agree that in an increasingly digital campaigning environment, transparency must continue to evolve to reflect new technologies, campaigning techniques and routes of influence.

We also recognise that further reform may be required to ensure the regime keeps pace with modern campaigning practice. This includes consideration of whether imprints should provide greater clarity on who has paid for material, how requirements should apply to new and emerging forms of campaigning such as influencer-led content and whether the definition of material in scope remains appropriate. We accept these considerations in principle but note they raise complex issues of proportionality, enforceability and impact on those who are participating legitimately. We will continue to consider how best to implement these recommendations, such as, where possible, via secondary legislation.

Taken together, this approach will enable the Government to strengthen safeguards against foreign interference while continuing to enhance transparency and accountability in online political campaigning. It ensures that the regulatory framework remains robust, proportionate and responsive to the evolving nature of the digital campaigning environment while upholding public confidence in the integrity of the UK's democratic processes.

***Recommendation 15: Lobbying, think tanks and other channels of influence: The Lobbying Act should be amended to remove the VAT exemption for all foreign-based entities which would otherwise fall under the provisions of the Act.***

The Government is committed to strengthening standards in public life, including how it ensures transparency around lobbying. The Prime Minister has commissioned the Ethics and Integrity Commission to review transparency around lobbying, financial disclosures for ministers and senior officials, and the Business Appointment Rules.

This includes an assessment of whether the current arrangements for transparency around lobbying are sufficient, and includes in scope possible reforms to the Register of Consultant Lobbyists.

In particular, the Government recognises that the current VAT exemption has had the unintended consequence of exempting foreign-based lobbying from the Office of the Registrar for Consultant Lobbyists' transparency scheme.

The Cabinet Office is considering reforms to the exemption as part of the wider lobbying reform agenda, which will be informed by the forthcoming report of the Ethics and Integrity Commission. The Government will publish the review's findings and present the Government's response to Parliament in due course thereafter.

***Recommendation 16: Lobbying, think tanks and other channels of influence: Consideration should be given to broadening the scope of the Ethics and Integrity Commission's review into lobbying, disclosure and access to government so that it also examines potential channels for foreign money to flow into the wider political eco-system.***

The Government recognises the importance of ensuring that the UK's broader political and policy structures are resilient to the risks presented by foreign financial interference, including through lobbying, think tanks and other channels of influence.

While it is not possible to amend the scope of the Ethics and Integrity Commission's review within its current timeframe, the Government agrees that these are issues which warrant careful consideration. The challenge of foreign financial interference extends beyond political finance rules alone and requires a holistic approach across the entire political eco-system in which such influence is exercised. This is an area in which the Government will consider opportunities for further work in the future.

# Conclusion

This Government remains committed to safeguarding elections and referendums in the UK and would once again like to take this opportunity to thank Philip Rycroft for his well-reasoned and thorough review. It was commissioned with the view to ensuring that our democracy remains resilient to the threat posed by foreign financial interference, both now and into the future. Upon publication of the Review, we took immediate steps to implement the recommendations for a cap on donations made by overseas electors and for a moratorium on donations made via cryptoassets, to be implemented through the Representation of the People Bill.

Now, with our response to the rest of the Review's recommendations published in full, the Government will take the necessary steps to ensure our democracy is fit for purpose and ready to withstand the growing threat of foreign interference, which has no place in our democracy. We will utilise the Representation of the People Bill, currently before Parliament, to take swift and decisive action. In the area of political finance: we will take forward recommendations 1-5, closing perceived loopholes in the system, strengthening rules for candidate donations as well as 'Know Your Donor' requirements. These reforms pave the way for a significant strengthening of the UK's political finance framework and lay the groundwork for a wider review of campaigning definitions and rules in the longer term.

Alongside this, we will make reforms to the way the Electoral Commission discharges its functions: by amending the Political Parties, Elections and Referendums Act 2000 via the Representation of the People Bill, we will provide a clear statutory basis for the Commission to prescribe standardised reporting formats across the political finance regime. We will provide, through the Representation of the People Bill, for a broad reciprocal statutory gateway for the Commission to engage in information sharing. We will also extend the Commission's remit to enable it to require disclosure of information outside of an investigation, to enable a more proactive approach to compliance.

Of course, now more than ever, it is important to ensure that our policing structures are resilient and fit for purpose. That is why, among other measures, we will take decisive action through the forthcoming Police Reform Bill to strengthen and formalise policing knowledge and capabilities. Enforcement of the rules must also provide a robust deterrent, and work will be undertaken in partnership with key stakeholders to continue to consider wider political campaigning as a whole, ensuring the framework is robust, proportionate, effective and appropriately enforced.

In the area of political imprints, the Government continues to take forward measures to improve the transparency of digital imprint rules. We welcome Mr Rycroft's contribution

to this space, and the recommendations made: the Government will now carry out further work to identify the most effective way to support the policy intent behind them.

The Government also recognises that threats to the integrity of UK elections increasingly come from the online and information environment. We have clearly set out our commitment to strengthening our approach to countering foreign information manipulation and interference, working with national and international partners to improve resilience, transparency and public awareness.

Lastly, the Government will consider reforms to the VAT exemption as part of the wider lobbying reform agenda, which will be informed by the Ethics and Integrity Commission's forthcoming report into Lobbying, Financial Disclosures and the Business Appointment Rules.

We are grateful for the work Mr Rycroft has undertaken in delivering this Review. We additionally note points he has referenced which fall outside the scope of the Review and will ensure these are considered as appropriate. We look forward to continuing the work this Government has already begun to reform our political finance structures and safeguard our democracy from foreign interference.