



Ministry of Housing, Communities & Local Government

Samantha Dixon MBE MP

*Parliamentary Under-Secretary of State for
Building Safety, Fire and Democracy*
2 Marsham Street
London
SW1P 4DF

Representatives of political parties
By email

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The Rycroft Review: HM Government response

Dear Colleague,

Today I have made an oral statement to Parliament, and the Secretary of State has published a [written ministerial statement](#), responding to the recommendations of Philip Rycroft's independent review into foreign financial influence and interference in UK politics, including his recommendation to cap donations made by overseas electors. As part of this statement, I have set out the immediate steps that we will be taking to implement the report's recommendations on donations from overseas electors. The full government response is now available on gov.uk here: [The Rycroft Review: HM Government response - GOV.UK](#)

The Secretary of State previously sent you a letter on 25 March 2026 when we announced our intention to bring forward an annual £100,000 cap on total political donations from, and regulated transactions involving, overseas electors. That letter set out further detail of the proposal and explained that the measures would apply retrospectively from the date of the announcement.

I am writing to you, as representatives of political parties, to explain how we expect these measures to operate under our amendments to the Representation of the People Bill. Some amendments will be tabled for the Report stage in the House of Commons and others will be tabled in the House of Lords. This letter sets out how the rules will apply after commencement, how they will apply during the retrospective periods, and the policy rationale for that approach.

How the rules will apply after commencement

Overseas electors

The amendments to the Representation of the People Bill will introduce an annual £100,000 cap on the total value of political donations made by, and regulated transactions involving, 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. In the amendment, an overseas elector is referred to as an "overseas contributor".

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. Donations which exceed the cap, either outright or when aggregated with other donations and regulated transactions in the same year, will need to be returned within 30 days of receipt. Regulated transactions which exceed the cap will be void, and any monies received under those transactions will need to be repaid within 30 days of receipt.

Overseas electors who have moved to the UK from abroad

The cap will be accompanied by a "minimum residency period". This means that any person who is an overseas elector on or after 25 March 2026 and who subsequently returns to the UK will remain subject to the £100,000 annual cap on donations and regulated transactions until they have been resident in the UK for a whole calendar year. For instance, an individual who returns to the UK in 2026 will remain subject to the cap for the rest of 2026 and for the whole of 2027.

Non-Registered individuals who have moved to the UK from abroad.

In addition, any person who moves to the UK from 6 July and was not registered as an overseas elector when outside the UK will also be subject to the £100,000 annual cap and the minimum residency period.

Rules which cover all groups

From commencement, overseas electors, and those who fall under the minimum residency period, will be required to provide a declaration giving the recipient the information needed to check whether the donation is permissible. The declaration must be provided before the donation can be accepted. It must state the individual's full name and address, whether they are an overseas contributor, the last date on which the individual was not resident in the United Kingdom, the value of the main donation, and the date on which the declaration is made. It must also state all relevant overseas donations or regulated transactions during the calendar year, and their value.

A declaration must be retained by the party for a period of 12 months, beginning on the day that the party receives it. Donations from impermissible donors received on or after commencement will need to be returned within 30 days of receipt.

For the avoidance of doubt, 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 cap does not apply to Irish donors who are permissible donors based on Irish citizenship.

Retrospectivity before commencement

As I set out in my letter on 25 March, the policy will have an element of retrospectivity, so that the measures will apply before the provisions in the bill are commenced.

Overseas electors

The cap will apply retrospectively to all political donations from overseas electors received on or after 25 March 2026. Donations received before commencement which exceed the cap, either outright or when aggregated with other donations and regulated transactions in the same year, will need to be returned within 60 days of commencement.

The cap will also apply retrospectively to regulated transactions involving an overseas elector as a participant where the transaction is entered into on or after 25 March 2026. Where the value of the transaction exceeds the cap, either outright or when aggregated with other donations and regulated transactions in the same year, the transaction will be void upon commencement and any monies received under the transaction will have to be repaid within 60 days of commencement.

Overseas electors who have moved to the UK since 25 March

The retrospective application of the cap will also cover any individual who was an overseas elector on or after the Government announcement on 25 March 2026 and has since returned to the UK. Under the minimum residency period, the £100,000 annual cap on donations and regulated transactions will continue to apply until that individual has been resident in the UK for at least one whole calendar year.

Individuals who move to the UK from 6 July

Any individual who moves to the UK from 6 July, and who was not registered as an overseas elector on or after 25 March 2026, will be subject to a modified version of the cap if they make a donation which is received, or enter into a regulated transaction, between 6 July and commencement. This will be an annual cap of £100,000 on political donations and regulated transactions, calculated per recipient rather than aggregated across all recipients.

Where the aggregated value of donations and regulated transactions involving that individual donor and the same recipient made or entered into before commencement exceed £100,000 in a calendar year, the individual will be required to provide a declaration within 30 days after commencement. Where such a declaration is not provided in connection with a donation or regulated transaction, the donation, equivalent amount, or monies received from the transaction will have to be returned within 60 days after commencement.

Considerations

Political parties should take steps to ensure that their internal systems can identify overseas electors and those subject to the minimum residency period. Parties should also track donations and relevant transactions from 25 March 2026 in the case of overseas electors and former overseas electors, and from today in the case of any other individuals who have been living abroad.

Parties may wish to consider refusing a donation from, or choosing not to enter into a regulated transaction involving, an overseas elector, former overseas elector or other individual who has been living abroad where that donation or transaction would otherwise exceed the relevant cap. Where a party accepts such a donation or enters into such a regulated transaction, it will be required to return any impermissible donations within the applicable statutory period. For instance, a donation of £10,000 would need to be returned in

its entirety if donations of more than £90,000 have been made to date (including the value of any regulated transactions).

Policy rationale

The changes that we are putting in place are intended to strengthen our protections against foreign financial interference in UK democracy, as well as to maintain confidence in the transparency and integrity of political donations.

Overseas electors cap

This cap is the result of the Government accepting the recommendation of the independent Rycroft Review to place a cap on the amount that an overseas elector can contribute to the UK political finance system. The Review raised two concerns; first, that tracing the origin of funds used for overseas donations, and more generally the ability for such donations to be properly investigated by UK authorities, is more complex than for domestic donations. Second; that the principle of democratic fairness was at risk of being undermined by wealthy individuals' who have minimised their contribution to the UK Exchequer being able to make unlimited donations into our political system.

While overseas electors are legally entitled to vote and participate in the political process, the Government considers it appropriate and proportionate to place a limit on the total amount that can be donated by any one overseas elector. This reflects both their more limited connection to day-to-day life in the United Kingdom and the need to guard against the risk, or perception, of undue foreign financial influence in UK politics.

Minimum Residency Period

The gravity of the concerns raised in the Rycroft Review requires a full suite of measures to ensure that the cap cannot be bypassed. The Government will not allow loopholes to be exploited in a way that would undermine the purpose of the cap.

Further to this, individuals who were previously resident overseas are likely to have financial links abroad for some time after moving back to the UK. Their funds will be harder to trace, and the risk of foreign money entering UK politics is still high. Further, it is likely that, for a short period of time, they will still not be fully contributing to the UK Exchequer, therefore a question of democratic fairness still exists.

The Government has noted the significant risk that wealthy individuals could seek to circumvent the cap by returning to the UK for a relatively short period of time, asserting that they are resident at a UK address, and avoiding the overseas elector restrictions. That would undermine the effectiveness of the policy, as those with the funds to make significant donations would also be those most able to evade the restrictions. In that scenario, the risk factors identified by the Rycroft Review would remain present, including questions of democratic fairness, limited contribution to the UK Exchequer, and uncertainty around the source of funds.

The same concerns also apply to individuals who are not overseas electors at the time of making a donation but have recently resided outside the UK. Concerns over source of wealth, transparency and traceability are just as relevant to those individuals as they are to

those registered as overseas electors. The minimum residency period is therefore necessary to prevent the exploitation of a loophole that would otherwise allow significant donations to be made shortly after a person moves to the UK.

The need for retrospective application

Retrospective application is needed because, without it, there would be a period in which individuals could make significant donations ahead of commencement of the new measures without consequence. This would create a perverse incentive to make substantially higher donations before the provisions in the Bill come into force, in order to evade the restrictions.

Thank you for your cooperation in this important matter.

Yours sincerely,

A handwritten signature in blue ink that reads "Samantha Dixon". The signature is written in a cursive, flowing style.

SAMANTHA DIXON MBE MP

Parliamentary Under-Secretary of State for Building Safety, Fire and Democracy