

Cap on donations from overseas electors and ban on crypto donations to protect democracy

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Landmark changes to protect UK democracy from scourge of foreign actors and financial influence are set to come into force.

- New measures introduced to help safeguard democratic processes from foreign financial influence and interference
- Annual cap on donations from overseas electors set to be introduced, stopping people not living and working in this country from having unfair sway over politicians
- Cryptocurrency will be banned for use in political donations until sufficient regulation in place to prevent untraceable funds being funnelled into UK politics

Landmark changes to protect UK democracy from scourge of foreign actors and financial influence are set to come into force – including a hard cap on donations from overseas electors.

Under the new rules, British citizens living abroad will face an annual cap on their political donations of £100,000 and regulated transactions such as loans of the same value.

The measures, outlined in detail in Parliament today, also include a ban on all cryptocurrency donations, which will prevent bad actors using untraceable means of influencing elections.

Critically, both of these measures will come into effect from today. The Government will amend the Representation of the People Bill to deliver these changes with retrospective effect. Once the legislation comes into force, political parties and regulated entities like candidates and MPs will then have 30 days to return any unlawful donations they may have received in the interim, after which enforcement action can be taken.

The decisive action follows the findings of the independent Rycroft Review published today. The Review, led by former Permanent Secretary Philip Rycroft, was commissioned by Secretary of State Steve Reed in December 2025 to investigate foreign financial interference in the UK's political and electoral systems.

The government has today published its immediate response to the review and committed to accepting these two key recommendations. The measures will be introduced as amendments to the Representation of the People Bill currently in Parliament, which has already introduced tough new rules on political donations to strengthen UK democracy.

The government will also consider all of the additional recommendations and respond to them in full in due course. Those recommendations include greater information powers for the Electoral Commission to support identifying and investigating cases of wrongdoing.

Steve Reed, Secretary of State for Housing, Communities and Local Government, said:

This Government will do whatever is necessary to protect our democracy.

Foreign interference and dirty money are menacing the integrity of our elections.

A ban on cryptocurrency donations is vital. The UK will now be a world-leader in stamping out this growing threat to freedom, and we will stop hostile foreign states and others who want to weaken and exploit the UK by stoking division and hatred. It is our patriotic duty to safeguard the British people's right to freely choose their own government.

Dan Jarvis, Security Minister, said:

National security is our first duty. We'll always take the action necessary to keep our country safe and defeat attempts to meddle in our democracy.

Today's announcement sits alongside critical reforms we're already delivering to make the UK the hardest possible target, through the Counter Political Interference and Espionage Action Plan I launched last November.

Through the Representation of the People Bill, the government has already begun ushering in a new era of transparency and security around political donations.

That includes making sure companies have shown sufficient revenue to cover their donation, be headquartered in the UK, and be majority owned by UK electors or UK citizens resident in the UK. This will prevent those that have no genuine business activity or UK footprint from making donations. Further changes will see more powers given to the Electoral Commission to clamp down on dodgy donations, tighter requirements for unincorporated associations, and will require political parties to undertake stronger 'Know Your Donor' checks before accepting donations.

Recommendations in the Rycroft Review serve to further inform government where stronger safeguards can be put in place.

The review responds to the evolving threat posed by political interference to British democracy, including the shocking cases of former MEP Nathan Gill, and Christine Lee, the UK-based lawyer identified as working covertly on behalf of the Chinese Communist Party. Mr Gill was convicted and sentenced to 10-and-a-half years in prison for accepting bribes to promote pro-Russian narratives. The case has shone a light on potential vulnerability in the political and electoral system, highlighting the need for urgent action.

Cap on overseas donations

The Review found that while British citizens living abroad who remain on the UK electoral register are permissible donors, tracing funds from overseas is more complex and should any malfeasance be suspected then investigations are far more challenging for the Electoral Commission. It found this route presents a risk of foreign funds entering UK politics and therefore recommended a cap.

Today's announcement of a cap of £100,000 - in line with the recommendations of the Review - will mitigate the risk that this route is used to allow large foreign donations to slip through the net.

Ban on crypto currency donations

The Review found that it can be difficult to identify the true ownership of cryptocurrency, increasing the risk of bad actors making foreign or secret donations into our politics.

Today's announcement means there will be a complete and immediate ban on cryptocurrency donations, until Parliament and the Electoral Commission are satisfied that the regulatory environment is robust enough to ensure confidence and transparency in donations being made in this way.

In addition to reforms announced today, the Security Minister Dan Jarvis is coordinating broader activity across government to tackle foreign interference. Announced in November, the Counter Political Interference and Espionage Action Plan will see the intelligence services deliver security briefings for political parties; new guidance to election candidates to help them recognise, resist and report suspicious activity; and actions to expose and disrupt activity.

Notes to editors:

- The Rycroft Review was commissioned by Government in December 2025 to provide an in-depth assessment of current financial and bribery related rules and safeguards that regulate political parties and political finance, and drawing on any lessons learned, recommend improvements to mitigate risks from foreign interference.
- The Government will take action to implement the recommendations for a cap on donations made by overseas electors and for a moratorium on donations made via cryptocurrency donations.
- Specifically, we will introduce amendments to the Representation of the People Bill to cap all donations and regulated transactions from overseas electors at £100,000. We will also introduce a complete moratorium on crypto donations, until such point that Parliament and the Electoral Commission are satisfied that there is sufficient regulation in place to ensure confidence and transparency in donations being made in this way.
- The amendment will make clear that, when the legislation comes into force, both of these changes will be applied retrospectively from today. Political parties and other regulated entities will then have 30 days to return any unlawful donations that they may have received in the interim, after which enforcement action can be taken.
- These will be delivered during the lifetime of this Parliament and the government is aiming for these passed before the next UK Parliamentary general election.
- The Government will respond formally to the Review in due course.

<https://www.gov.uk/government/news/cap-on-donations-from-overseas-electors-and-ban-on-crypto-donations-to-protect-democracy>