



LEGISLATIVE COUNCIL OFFICIAL REPORT

RECORTYS OIKOIL
Y CHOONCEIL SLATTYSSAGH

PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 5th May 2015

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Present:

The President of Tynwald (Hon. C M Christian)

The Lord Bishop of Sodor and Man (The Rt Rev. R M E Paterson),
The Acting Attorney General (Mr J L M Quinn),
Mr M R Coleman, Mr C G Corkish MBE, Mr D C Cretney,
Mr R W Henderson, Mr J R Turner and Mr T P Wild
with Mr J D C King, Clerk of the Council.

Business transacted

Leave of absence granted	335
Order of the Day	335
1. Audit (Amendment) Bill 2015 – Third Reading approved.....	335
2. Income Tax Bill 2015 – Second Reading approved	338
Income Tax Bill 2015 – Clauses considered	340
3. Representation of the People (Amendment) Bill 2015 – Second Reading approved	348
Representation of the People (Amendment) Bill 2015 – Clauses considered.....	352
Procedural.....	366
<i>The Council adjourned at 12.26. p.m.</i>	<i>366</i>

Legislative Council

The Council met at 10.30 a.m.

[MADAM PRESIDENT *in the Chair*]

The President: Moghrey mie, Hon. Members.

Members: Moghrey mie, Madam President.

The President: The Lord Bishop will lead us in prayers.

PRAYERS

The Lord Bishop

Leave of absence granted

The President: Hon. Members, leave of absence has been given to the Hon. Member, Mr Wild, on Department-related business.

Order of the Day

1. Audit (Amendment) Bill 2015 – Third Reading approved

Mr Henderson to move:

That the Audit (Amendment) Bill 2015 be read a third time.

The President: We turn to the first business on our Order Paper, which is the Audit (Amendment) Bill 2015 for Third Reading, and I call on Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

Eaghtyrane, as I highlighted previously, I consider this to be a very positive piece of legislation. The Bill will enable Treasury to implement a more proportionate approach to financial governance across the public sector based upon a three-tier level of external inspection of financial statements – namely, either a full audit assurance review or independent examination, as deemed appropriate, with the default still being a full audit.

Whilst Treasury has previously used its existing powers to create subordinate legislation to implement just such a proportionate approach to the local government sector, this Bill promotes

15 those principles into the primary legislation itself, making the relevant rights and responsibilities under the framework clearer and more explicit for all concerned.

The Bill expands this proportionate approach to allow Treasury to apply it to any relevant body currently required to be audited in accordance with the Audit Act, and it is Treasury's intention, in particular, to apply the revised assurance framework to the burial authorities.

20 The Bill also amends the burial authorities' accounting period to change their year-end from 31st December to 31st March, which it is anticipated will ease their annual financial timetable.

Eaghtyrane, I thank Hon. Members for their scrutiny of this Bill and support thus far and beg to move that the Audit (Amendment) Bill 2015 be read for a third time.

25 **The President:** The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

I beg to second and reserve my remarks.

30 **The President:** The Hon. Member, Mr Turner.

Mr Turner: Thank you, Madam President.

I have at this stage an amendment to move, which was as a result of our discussions. If I draw Members' attention to page 9, a clause there which is 4B(c), it says:

35 'A member of the Isle of Man Civil Service;'

I raised issue with the... we are in the transition period between the Civil Service Commission, Whitley Council and the Public Services Commission all coming into being and some of those, the likes of the Civil Service Commission, will be going out of being. So it was to clarify, really, this particular area and they have consulted with the draftsman, who suggests an amendment to this clause, which is what I would like to move at this stage to tidy this up.

The amendment... I am not sure whether it has been circulated to Members – **(A Member: No.)** I will read it out:

*'Mr Turner to move amendment to clause 10:
Page 9, for line 20 substitute –
“(c) an employee of the Public Services Commission;”*

45 So it basically changes (c) in that particular clause.

Just to give Members a background, there will be a transition period where different employment groups are going to be brought in as employees of the Public Services Commission – for example, they will be able to appoint by different orders which groups of employees come in to become employees of the Public Services Commission. At any future time it may be that other employment groups become employees of the Public Services Commission. So I would just flag up that in putting this in under the new Public Services Commission Act, non-civil servants at the moment are going to become employees of the Public Services Commission, where at the moment they are not. It is going to have a much wider remit and so I think we need to put that on the record and obviously keep an eye on that going forward.

55 So that is the amendment to the clause, which is a technical amendment, really, supported by the drafter. So I hope somebody will second this amendment and we can get this tidied up and moved on. I beg to move.

60 **The President:** Hon. Member, Mr Corkish.

Mr Corkish: Thank you, Madam President.

I am happy to second.

65 **The President:** The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

I just have one question for the mover of the amendment and I wonder whether the PSP is going to include such Statutory Boards as the Manx Utility Authority. Perhaps he can come back and indicate whether that would be therefore all encompassing as the intention would appear to be.

The President: If we are to allow the Hon. Member to respond, we need clarity if you are going to vote on the amendment.

Mr Turner.

75

Mr Turner: Thank you, Madam President.

I think the difficulty I have is that I am not privy to which employment groups will in the future become part of the Public Services Commission. The initial stage is going to be that the Civil Service Commission employees will transfer over, and the Whitley Council employees. As some Members will be aware, we have other groups, such as local authority employees, that are analogous to the terms and conditions. I am not suggesting – and I do not want to set any hares running here – that local authority employees are going to become employees of the Commission, but what I am saying is there is the ability to appoint different employment groups under this, if that is the decision of those particular bodies. So I think in relation to the MUA, I would imagine that would be a decision taken by the MUA, the Council of Ministers or somebody.

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My role in the Commission... we really administer what is going on, and so it would be up to those employment groups, I would imagine, in the future. But the way the Act is in place, there is the ability for other groups to be brought in under it – for example, teachers and police officers. They are all public servants, but they are not employees of the Commission *per se*. So I am sorry I cannot give him the clarity that he is seeking, but the ability is there should those groups wish to join at a later stage.

90

The President: The Lord Bishop.

95 **The Lord Bishop:** Thank you, Madam President.

This does not relate to the amendment, it is simply to welcome the Bill and particularly to welcome the change in the time for the accounting period and allow time for the auditors to do their work on the accounts.

100

Also to say in relation to the Burial Act, which this Bill affects, I am personally hoping that we will soon be able to make some changes to that Act so that instead of having considerable difficulty trying to find churchwardens in some places because of their responsibilities in relation to the Burial Act, that we may be able to make significant changes to make the rest of the Burial Act easier to implement, but I entirely support this Bill.

105

The President: The mover to reply.

Mr Henderson: Gura mie eu, Eaghtyrane.

I thank all Hon. Members for their support on this Bill.

110

I am happy with Mr Turner's amendment as that adds a bit of clarity to things, although strictly speaking, Eaghtyrane, I think under the other Acts that would be amended as a result of the body with which Mr Turner refers to. I think things would have sorted themselves out, legislatively speaking anyway, but this adds an express point to this and makes it very clear. So we are happy with that.

115 I am pleased with the Lord Bishop's comments and certainly look forward to seeing any proposed changes in the future that may come across our bows, Eaghtyrane, for further scrutiny.

With that, Eaghtyrane, I beg to move.

120 **The President:** The motion is that the Bill be read a third time and do pass. To that we have an amendment in the name of Mr Turner, and I would just remind Members that an amendment at Third Reading requires six votes in support.

I put to you the amendment in Mr Turner's name. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

I now put to you the Third Reading incorporating that amendment. Those in favour, please say aye; against, no. The ayes have it. The ayes have it. The Bill is read a third time.

2. Income Tax Bill 2015 – Second Reading approved

Mr Henderson to move:

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That the Income Tax Bill 2015 be read a second time.

The President: We come now to the Income Tax Bill 2015, and I call on Mr Henderson to take the Second Reading, followed by clauses.

130 **Mr Henderson:** Gura mie eu, Eaghtyrane.

Eaghtyrane, this Bill confirms four temporary taxation orders and makes a number of amendments to the Income Tax Act 1970 and one to the Income Tax Act 1989. The Bill is divided into four parts and has 12 clauses. I will now give an overview of what they are intended to achieve.

135 The first part of the Bill contains clauses 1 to 3. These provide the short title of the Act, the interpretation and the expiry of the Act respectively.

The second part of the Bill contains clause 4, which confirms the four temporary taxation orders. The first of these is the Income Tax (Resident Individuals) (Income Tax Cap) (Temporary Taxation) Order 2014. This order was approved by Tynwald as part of the 2014 Budget and changed the tax cap system that was introduced in 2006. Under the new system, an individual or jointly assessed couple must elect for the cap to be applied and, if the election is approved, it will apply for five consecutive tax years at the amount applying to the first year.

145 The second is the Income Tax (Disclosure of information) (Temporary Taxation) Order 2014, which was also approved as part of last year's Budget. This enables appropriate income tax data to be provided for specific economic purposes to assist Government. It also makes it an offence for the information to be disclosed other than for the purpose for which it was supplied.

The third order is the Income Tax (Personal Allowance Credit) (Temporary Taxation) Order 2015. This was recently approved by Tynwald as part of the 2015 Budget and introduces additional criteria which must be met in order for a person to qualify for the Personal Allowance Credit. It also provides that a jointly assessed couple will only receive an amount equivalent to twice that for an individual if both parties meet the qualifying criteria.

150 Clause 4 also confirms the Income Tax (Corporate Taxpayers) (Temporary Taxation) Order 2015. This order also formed part of the 2015 Budget and makes it compulsory for the majority of companies to file their annual return electronically using the Government's online tax services.

155 Part 3 of the Bill contains seven clauses, all of which amend the Income Tax Act 1970. The first of these, clause 5, introduces part 3 of the Bill.

The sixth clause amends the tax cap legislation to ensure that a person who has elected for the five-year cap to apply will not pay more income tax as a result of the election.

160 The seventh clause makes a number of amendments to the international arrangements provided for by part 9 of the 1970 Act. These update wording, make a consequential amendment, substitute a section, make a grammatical correction and replace out-of-date cross-references.

Clause 8 amends part 11 of the 1970 Act. It replaces the heading, inserts a new section, enabling Treasury to make regulations about the keeping of accounting records and also makes a number of minor amendments to section 105D.

165 Clause 9 makes a number of amendments to part 12 of the Act. These include changes to section 105K, which will help to prevent certain actions that could frustrate an investigation into an individual's tax affairs. They also remove a few words from section 105L and make a number of largely grammatical changes to section 105M.

170 Clause 10 inserts a new part 12A into the 1970 Act. The new part will amend parts 11 and 12 of the Act for the purposes of exchanging information under an international arrangement. This will remove the need for such changes to be made in each separate ratification order and will apply them to all current and future international arrangements.

Finally, clause 11 inserts a new definition into section 120 of the 1970 Act.

Part 4 of the Bill contains clause 12. This amends section 5A of the Income Tax Act 1989 so as to require Tynwald approval for regulations made under that section.

175 Eaghtyrane, I beg to move the Second Reading.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

180 I beg to second and reserve my remarks.

The President: The Hon. Member, Mr Turner.

185 **Mr Turner:** Yes, could I just ask the mover in relation to clause 8 regulations about record keeping? Treasury may, by regulations, make such provisions as appear to be appropriate about the keeping of accounting records by persons, namely a relevant person, who is a non-corporate taxpayer. If he could explain what a non-corporate taxpayer is.

Thank you.

190 **The President:** The mover to reply.

Mr Henderson: Gura mie eu, Eaghtyrane.

I think in answer to the Hon. Member, Mr Turner's question, I think I must turn to my officers in the Gallery. Mr Martin might be able to give us some clarity on that if we could...

195

Mr Martin: Yes. Good morning.

The President: Could I invite you to state your name and your role, please?

200 **Mr Martin:** Yes. Paul Martin, Deputy Assessor of Income Tax.

A non-corporate taxpayer – the way it is defined within the Act – is anyone who is not a corporate taxpayer and so it would include anybody like individuals, trusts, etc.

The President: Thank you.

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Mr Henderson: I thank Mr Martin for that clarification, Eaghtyrane.
With that, I beg to move.

The President: Hon. Members, the motion is that the Bill be read a second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Income Tax Bill 2015 –
Clauses considered**

210 **The President:** Turning to the clauses, perhaps we could take clauses 1, 2 and 3 together.

Mr Henderson: Yes. Gura mie eu, Eaghtyrane.

Eaghtyrane, as we have heard, the Bill contains 12 clauses, it confirms four temporary taxation orders and amends the 1970 Income Tax Act and an amendment to the 1989 Income Tax Act.

215 Eaghtyrane, clause 1 provides the short title of the Act.

Clause 2 provides the interpretation for the Act.

Clause 3 provides for the Act to expire on the day after its promulgation, except for those provisions which are automatically repealed on that day by section 115A of the Income Tax Act 1970. It also confirms that its expiry will not affect the provisions of the Act.

220 Eaghtyrane, I beg to move that clauses 1, 2 and 3 stand part of the Bill.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: I beg to second, Madam President.

225

The President: The motion is that clauses 1, 2 and 3 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 4.

230 **Mr Henderson:** Gura mie eu, Eaghtyrane.

Before I provide the detail of clause 4, I should explain that an amendment was introduced into the Bill at the consideration of clauses in respect of this clause.

235 The clause originally confirmed two temporary taxation orders that had been approved by Tynwald as part of the 2014 Budget. The introduction of the amendment enabled the clause to confirm two additional temporary taxation orders, which were approved by Tynwald as part of this year's budget. The introduction of this amendment has removed the requirement to prepare a further Income Tax Bill to confirm the orders within 12 months of their approval and thus saved on administration and the costs associated with producing such a Bill.

240 I would now like to turn to clause 4 of the Bill, Eaghtyrane, which confirms four temporary taxation orders. The first of these is the Income Tax (Resident Individuals) (Income Tax Cap) (Temporary Taxation) Order 2014, statutory document 2014/0019. This order amends the income tax cap regime that was first introduced in 2006. The order will require an individual or jointly assessed married couple or civil partners to elect for the tax cap to apply. If the Assessor approves the election, it will apply for five continuous tax years. The level of the tax cap applying to each of
245 those years is the same and is the level that applies to the first year of the election. The order provides for the level of the cap to be set by order of the Treasury. An election must be made before the start of the tax year to which it applies; however, if a new resident elects for the tax cap within 60 days of commencing residence in the Island, the election can apply to the year in which they arrive and to the four subsequent tax years.

250 The second temporary taxation order to be confirmed by this Bill is the Income Tax (Disclosure of Information) (Temporary Taxation) Order 2014. This order enables anonymised income tax data to be supplied for economic modelling services required by the Treasury or the Assessor. Similarly,

information can also be supplied to the Chief Secretary or a person authorised by him, or her, to provide economic advice or for the production or analysis of statistics.

255 The order makes it an offence for anyone to whom the information has been given to disclose it, other than for the purpose for which it was supplied; however, this does not apply to the publication of anonymised data that has been supplied for statistical analysis which may be used, for example, in the National Income Report.

260 The third order was approved by Tynwald in February of this year as part of the Budget. This is the Income Tax (Personal Allowance Credit) (Temporary Taxation) Order 2015. This order amends the Income Tax Act 2003 in order to expand the conditions necessary to qualify for a Personal Allowance Credit. The additional conditions require a person to be aged 65 or over at the start of the tax year to which the payment relates or to have been entitled to either Blind Person's Allowance or Disabled Person's Allowance in that year. The order also ensures that a jointly assessed couple will
265 only receive the full amount for a qualifying couple if both partners meet the qualifying conditions. If only one partner meets the conditions, the couple will be entitled to half of the payment.

The fourth and final temporary taxation order is the Income Tax (Corporate Taxpayers) (Temporary Taxation) Order 2015. This order introduces a requirement for the majority of companies to file their annual tax return electronically using the Government's online tax services.

270 Compulsory online filing will come into operation for accounting periods ending on or after 5th April 2015, except for those companies which fall into one of the exemption categories. The exemptions apply to a small number of companies and include, amongst others, sports and social clubs, foundations, charities, companies in liquidation, limited liability companies and protected cell companies. In addition to the exemption categories, if a company can satisfy the Assessor that they
275 do not have access to the internet or that they have a reasonable excuse for not complying, they will be exempt from the requirement.

Eaghtyrane, I beg to move that clause 4 stand part of the Bill.

The President: The Hon. Member, Mr Coleman.

280

Mr Coleman: I beg to second, Madam President.

The President: The Lord Bishop.

285 **The Lord Bishop:** Thank you, Madam President.

I support this clause, although with a certain amount of reluctance because the reference to the tax cap is a great improvement on what was there before; but my hesitation is that individuals with a regular income of two-thirds of £1 million a year and above pay less tax than poorer people paying tax at the normal higher level of 20%, and it is not as though 20% is high in comparison with other
290 jurisdictions.

I hear sometimes the explanation that they would move away if they did not have the tax cap and I have two answers to that: Where? And also I think that insults their integrity because they are perfectly good people against whom I have no axe to grind.

But I will support this as an improvement on what we had before.

295

The President: The mover to reply.

Mr Henderson: Gura mie eu, Eaghtyrane.

300 I thank the Lord Bishop for his commentary to this clause, Eaghtyrane, and his outline support for it in its current fashion. I think, as everyone knows, we are progressing Treasury and Government policy here with regard to large income earners and trying to make the Isle of Man an attractive area to reside and so far the policy, as much as it may be criticised in small areas, has proved successful. Certainly individuals who come under the tax cap were looking at something like 1,400 employees locally on the Isle of Man, for instance, as an amalgamation of them all living here and the input into

305 our economy and so forth. So I take on board the Bishop's observations, but would ask Hon. Members in general to support the clause.

The President: The motion is that clause 4 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

310 Clauses 5 and 6.

Mr Henderson: Gura mie eu, Eaghtyrane.

Clause 5 confirms that the Income Tax Act 1970 is amended in accordance with part 3 of the Bill.

315 Clause 6 amends section 2ZA of the 1970 Act, which provides for the tax cap election. If a person believes they have paid more income tax as a result of the election, this change will give them an opportunity to prove this to the Assessor and to apply for those years to be reassessed as if the tax cap had not been applied. If agreed, those assessments could then be amended.

Eaghtyrane, I beg to move that clauses 5 and 6 do stand part of the Bill.

320 **The President:** Mr Coleman.

Mr Coleman: I beg to second, Madam President.

325 **The President:** The motion is that clauses 5 and 6 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 7.

Mr Henderson: Gura mie eu, Eaghtyrane.

330 Eaghtyrane, clause 7 makes a number of amendments to part nine of the Act. It removes the words 'necessary or' from section 104B and 104C to more closely reflect the wording used in the international arrangements to which they relate. Section 104C is further amended by the removal of subsection (1)(b)(i) which is a consequence of the introduction, by clause 10, of a new part into the Act.

335 Clause 7 also substitutes section 104G. This section addresses the disclosure of information by a Manx tax official in that disclosure must be in accordance with the international arrangement under which the information is provided. The wording in subsection (2) will ensure that the information provided to the Assessor under an international arrangement may not be used in criminal proceedings against the person who supplied it, except for perjury or a similar offence.

340 The clause also amends section 104(h) by substituting subsection (1) in order to improve its clarity.

Finally, it makes a number of minor amendments to section 104(i). It replaces 'summonsed' with 'summoned' and replaces two out-of-date cross-references – '105P' is replaced with '104H' and '105P(1)' is replaced with '104H(1)'.

Eaghtyrane, I beg to move that clause 7 stand part of the Bill.

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The President: The Hon. Member, Mr Coleman.

Mr Coleman: I beg to second, Madam President.

350 **The President:** The motion is that clause 7 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 8.

Mr Henderson: Gura mie eu, Eaghtyrane.

355 Eaghtyrane, clause 8 substitutes the heading of part 11 with 'information and evidence'. It also inserts a new section 105BB which provides for Treasury to make regulations about the keeping of accounting records.

The new section specifies what the regulations can address and to whom they can apply. It also enables the regulations to make any provision regarding the keeping of records that might be
360 contained in an Act of Tynwald. It further requires any such regulations to be approved by Tynwald before coming into operation.

Eaghtyrane, the Isle of Man is a member of the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, which is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions.

365 The Global Forum is charged with in-depth monitoring and peer review of members' implementation of the international standards of transparency and exchange of information for tax purposes. This monitoring is by way of a detailed assessment of the laws, regulations and exchange of information mechanisms and their effectiveness.

The Isle of Man was subject to its phase 1 and phase 2 detailed assessments in 2010. Subsequently, in 2014, the Global Forum published ratings for the 71 countries reviewed at that time and the Isle of Man was one of only 20 countries to be awarded the top 'compliant' rating.

375 Within the next few years, the Island will undergo a phase 3 review regarding the application of tax information on request. Since the Island's last review, many other jurisdictions have undergone phase 1 and phase 2 reviews, and a considerable amount has been learnt by both the OECD assessment teams and the Assessor about what is best practice. This has highlighted a number of areas where the Island's Income Tax legislation requires amending in order to help ensure a successful phase 3 review.

The obligation for various entities to keep accounting records is one of the elements reviewed and these regulations, when introduced, will strengthen the Island's legislation ahead of that review.

380 The international standard for record keeping is five years and, although the Income Tax Acts already contain some requirements for certain entities to keep records, the ability to make regulations will allow the coverage of the requirements to be broadened and standardised.

385 International transparency is a fast-moving area and the power of the regulations will provide flexibility to ensure the Island's legislation meets the requirements of its next Global Forum peer review and the future.

The power does, however, also restrict the regulations to only making those changes that are required for the keeping and preservation of accountancy records. In addition, any regulations must be approved by Tynwald.

390 It should also be noted that the Assessor intends to consult on any changes that may be proposed in regulations prior to their introduction.

Finally, clause 8 makes a number of minor amendments to section 105D. In subsection (3) it makes plural each use of the word 'document', while in subsection (6)(a) after 'in such form', it inserts the words 'and in such manner', which should ensure that copies of any documents that are required for an investigation into a person's tax affairs will be provided in an appropriate way.

395 The last amendment is to include reference to 'information' in the marginal note, by changing it to 'power to call for documents or information relating to taxpayer'.

I beg to move that clause 8 stand part of the Bill.

400 **The President:** The Hon. Member, Mr Coleman.

Mr Coleman: I beg to second, Madam President.

The President: The Hon. Member, Mr Turner.

405 **Mr Turner:** Thank you, Madam President.

I think we need to be very cautious about where we are going. We had some very interesting comments from industry about the obsession that the Manx Government seems to have about being the first and the best to sign up to everything going. Indeed, we have had some quite negative comments from industry, saying that the Isle of Man has completely got rid of its USP, it is regulating
410 itself out of existence, and this seems to be coming from the bureaucrats... all this regulation coming from the bureaucrats, looking to be patted on the back and awarded these accolades, but in reality they are not growing us business, they are losing us business and I think we have to be very cautious.

We should not be running to be the first all the time. As we were told, we should have proportionate and adequate regulation, that we need to be watching what the other British
415 Territories are doing, because quite a few of them are taking their time over some of these things and are flourishing, while we seem to be seeing signs of struggling in certain areas.

I think if we are not careful, we will literally regulate ourselves out of business and I think that is going to then, no doubt, cause problems for the man in the street, because these are the people who have the jobs, whose household incomes rely on these jobs and we are seeing them move out
420 of the UK as well.

So I think we have to be very careful, and sometimes being the first and the best might be a nice badge to have, but does it pay our bills, does it keep our people employed and does it keep our economy going? Well, time will tell, I think.

I am very concerned about the regulations about record keeping and we were told that non-
425 corporate taxpayers include individuals. It was skimmed over quite quickly. Does that mean that we are looking at a stage where individuals, as in the man in the street, are going to have to be keeping accounting records, as described by these regulations, the adequacy of such regulations and their preservation will be decided?

Have I got the message right or is that not what this is intended to be, because it seems to be a very wide *blasé* statement of the individuals? So I think we need to know. Are we looking at the
430 stage where this Government is going to start... meaning that every individual is going to have to start keeping accountancy records – a level of accounting records? Because, if so, I think that is going to be rather an oppressive nuisance to people.

So I think we need clarity on that and we hear all the time, 'Well, it is not intended for that. It is not going to be used for that.' But then we see it... if it is in black and white, it is there and it can be
435 used. The future of administrations could bring that in and I think we need to know exactly what we are passing here on this clause.

Those are my comments on the clause, Madam President.

440 **The President:** The mover to reply.

Mr Henderson: Gura mie eu, Eaghtyrane.

I thank the Hon. Member, Mr Turner, for his observations, and the first thing I would say to Hon. Members, in general terms, is that we are complying with international regulations and standards
445 here.

We have noticed from previous assessments where the standards are going to be set and this is in answer to those observations. I would say that really if we do not do anything when we have our phase 3 assessment via the OECD, then we will be forced to comply. We will be told basically, 'This is the new international standard. This is what is expected.'

Really, we are being proactive here. It is not a case of trying to get a badge of honour, Eaghtyrane, or for bureaucrats to be patting themselves on the back, which I take exception to, because there is a lot of hard work gone in behind the scenes here to produce this and assessing what has been going on in the OECD forums and what the remarks and observations have been, coming out from the other assessments, and this is our proactive response.
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So I do not think I need to labour that or the importance of that point, Eaghtyrane. Some businesses, it is fair to say, may not like it, but if we are going to comply with international standards
455

– which we are required to do – and we can see what is coming down the line, then I think it is incumbent upon us to make those moves.

460 If we can plan now and, as I say, consult and so on now, rather than be backed into a corner and be making regulation in a more hasty fashion, I think this is a more responsible way to move, so affected persons and businesses and so on can plan and move forward in a considered approach, rather than in a panic in the background.

465 With regard to record keeping, yes, it does and it will affect everyone, and it is certainly aimed at businesses and so on. And, yes, we are all going to have to get a little smarter at retaining what we have in our home as well – is the answer to that. (**Mr Turner:** Unbelievable!) But the point is it is international regulations again. It is international observations that are coming down the wires.

470 I would point the Hon. Member to the recent case where there were several arrests made here in the Isle of Man alone; Eaghtryrane, enquiries in Guernsey in the Channel Islands, millions and millions of pounds of money involved, as quoted in the local media; a multilateral Police approach to that and individuals involved and a string of company names being named throughout that shows you what can go on. These are the kind of things that international standards are aspiring to address and part of the reason why we are here with a clause such as this.

475 It is just a way of getting used to doing things slightly differently, Eaghtryrane, and being able to supply information and evidence, and assist us in being a top-flight jurisdiction, and prove to the rest that we are not a tax haven and we are actually a blue chip financial centre.

Eaghtryrane, I beg to move.

The President: The motion is that clause 8 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

480 Clause 9.

Mr Henderson: Gura mie eu, Eaghtryrane.

Clause 9 makes a number of amendments to section 105K in part 12 of the Act. It substitutes subsection (2) and inserts new subsections (2A), (2B) and (2C).

485 When the Assessor is investigating an individual's tax affairs, she or he may request relevant documents and information from the taxpayer or from a third party. If the items requested are not provided in a reasonable time the Assessor can issue a notice requiring them to be provided. Under certain circumstances, such as if the notice is not complied with, the Assessor can apply to the High Court for an order requiring the provision of the items specified in the notice. If this occurs, the taxpayer or the third party is entitled to a minimum of 14 days' notice of the Assessor's intention to apply to the High Court.

495 Under the new subsection (2), once the taxpayer or third party has been advised that the Assessor intends to apply to the High Court they must not hide, change or destroy any documents or information specified in the application before the latest of the events listed. Nor can they tell anyone other than their professional legal adviser or tax adviser anything that might prejudice the investigation at any time before either the application is dropped or the investigation is concluded.

Under new subsection (2A), these obligations are lifted if the Assessor notifies the taxpayer or third party that this is the case. However, subsection (2B) ensures that, despite (2) and (2A), they must continue to keep any of the items that they are required to by record-keeping regulations.

500 The new subsection (2C) provides the circumstances in which the Assessor must advise the taxpayer or third party that their obligations to keep the specified items have ceased. These changes are intended to help prevent any action being taken that would frustrate an investigation.

505 Clause 9 makes one further change to section 105K, which is to remove the words 'authorised for the purpose' from subsections (3) as these words are not required. It goes on to make the same correction in section 105L(2).

The final amendments to be made by clause 9 address section 105M and several of these are just minor grammatical changes. Subsection (1)(b) is substituted in order to remove the first word and to correct the word 'information' to 'application'. The substitution also replaces the words 'is to' with

510 'may' to clarify that the Assessor cannot be certain that evidence will be found in the specified premises.

A number of minor grammatical changes are made to subsection (4) while the whole of subsection (9) is substituted to make a further small grammatical change and to update a part of the language.

515 Eaghtyrane, I beg to move that clause 9 stand part of the Bill.

The President: The Hon. Member, Mr Coleman.

Mr Coleman: I beg to second, Madam President.

520 **The President:** The motion is that clause 9 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

Mr Henderson: Gura mie eu, Eaghtyrane.

525 Clause 10 inserts a new part 12A into the Act, consisting of three sections. This new part amends provisions in parts 11 and 12 to enable them to apply to international arrangements signed by the Isle of Man.

530 Currently, when a tax agreement is signed, the order ratifying the agreement makes modifications to the legislation in parts 11 and 12 so that the Isle of Man can comply with its obligations to exchange information under the agreement.

The introduction of this new part will, instead, make all the necessary modifications to parts 11 and 12, and will apply them to all current and future international arrangements. This will remove the need for future ratification orders to make the modifications and it will ensure that the same legislation applies to all appropriate international arrangements. It also means that if any further modifications are required in the future, as a result of changing international requirements, those changes can be made to the new part and will apply to all existing arrangements, rather than the changes having to be applied to each individual arrangement, as is currently the case.

540 As well as the new part making the modifications that have previously been made by the individual ratification orders, it also makes some additional amendments which will assist the Island at the phase 3 review that I mentioned earlier, and ensure that it is able to retain the top 'compliant' rating.

545 These additional amendments are required because the Global Forum is currently updating the terms of reference for the next round of reviews in order to reflect developments in international standards and highlight 'patterns' of deficiencies or issues identified in member country reviews that have been carried out since the Isle of Man was last reviewed in 2010. We therefore need to make sure that the Island's laws and exchange of information mechanisms will meet the revised standards and terms of reference.

550 Turning now to the new part, this consists of three sections – 105OA, 105OB and 105OC. The first section provides for parts 11 and 12 of the Act to apply to international arrangements subject to the modifications made by the part.

The second section, 105OB, makes a number of modifications to part 11. As I have mentioned, a number of these are the modifications which, to date, have been made by each ratification order and which have been amended very slightly in the new section in order to enable them to apply to a broad range of international arrangements.

555 In addition to these, section 105E(1) has been substituted to remove reference to 'serious prejudice' to the proper assessment or collection of tax. The use of this phrase has raised issues for some jurisdictions in their phase 2 Global Forum peer reviews, as the wording does not fall within the Global Forum's terms of reference. A new subsection (1A) is also inserted to provide clarity, and arises from breaking the original subsection (1) into two subsections.

560 Section 105E is further amended by the removal of subsections (5) to (7). This removes any restriction on the ability of the Assessor to request, in a notice, a document, the whole of which is more than six years old. This is another measure which will help the Island in its review. Although the Island has strict law regarding information that is more than six years old, many countries with which we have an agreement do not.

565 Section 105OB also removes section 105F for the purposes of an international arrangement. This is one of the issues identified in member country reviews as the role of tax advisor does not have any legal privilege under an international agreement.

A further amendment inserts two new subsections into section 105G. The first of these, subsection (1A), will ensure that the Assessor can request documents or information relating to a tax investigation from a company that has ceased to exist. Similarly, new subsection (1B) enables the Assessor to direct such a request to the administrator or executor of an estate in the case of an individual who has died.

570 Finally, the new section 105OC modifies part 12 of the Act for the purposes of an international arrangement. The first of these modifications is to substitute wording in section 105I(1) in order to remove the reference to 'serious prejudice', for the reasons already given. The word 'serious' is also removed from section 105K for this reason, and section 105K is further modified to remove references to 'tax advisor', again for the reason previously stated.

The main modification made by this section is the insertion of a number of definitions in section 105O. A number of these are modifications that have been made by each ratification order. However, the definition of 'liability to income tax' has been expanded to help ensure the Island can fulfil its obligations to exchange information under an international arrangement. The definition of 'information' is also replaced with one that is broader, for the same reason.

Eaghtyrane, I beg to move that clause 10 do stand part of the Bill.

585 **The President:** The Hon. Member, Mr Coleman.

Mr Coleman: I beg to second, Madam President.

The President: The motion is that clause 10 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
590 Clause 11.

Mr Henderson: Gura mie eu, Eaghtyrane.

Clause 11 inserts a definition of 'record-keeping regulations' into the alphabetical list of definitions in section 120 of the Act. This is to reflect the introduction by clause 8 of this Bill of a new section which enables Treasury to make these regulations.

Eaghtyrane, I beg to move that clause 11 stand part of the Bill.

The President: Hon. Member, Mr Coleman.

600

Mr Coleman: I beg to second, Madam President.

The President: The motion is that clause 11 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

605 Finally, clause 12.

Mr Henderson: Gura mie eu, Eaghtyrane.

Clause 12 makes an amendment to the pension legislation in this Act. If a member of a pension scheme that has been approved by the Assessor has only built up a small amount of pension savings, they can opt to convert the fund into a lump sum, which is known as 'trivial commutation'.

610

Treasury currently has the power under section 5A to make regulations regarding the payment of trivial commutation lump sums, and clause 12 introduces the requirement for these regulations to be approved by Tynwald before coming into operation. This will bring the legislation into line with similar regulation-making powers.

615 Eaghtyrane, I beg to move that clause 12 do stand part of the Bill.

The President: Mr Coleman.

Mr Coleman: I beg to second, Madam President.

620

The President: The motion is that clause 12 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

3. Representation of the People (Amendment) Bill 2015 – Second Reading approved

Mr Corkish to move:

That the Representation of the People (Amendment) Bill 2015 be now read a second time.

The President: Turning now to the Representation of the People (Amendment) Bill 2015.

I call on the Hon. Member, Mr Corkish, to take the Second Reading and clauses.

625

Mr Corkish: Thank you, Madam President.

I am pleased to bring and present the Representation of the People (Amendment) Bill for its Second Reading here today. Today's Second Reading is an important step towards improving transparency and governance of the Island's election process and ensuring that key reforms are in place prior to the 2016 General Election.

630

The Bill comprises 37 clauses and two schedules, focusing on four significant new provisions as well as providing clarity to improve understanding of current legislation and removing out-of-date provisions. These provisions introduce a party registration system, limit candidates' campaign expenses, add requirements relating to donations and place new restrictions on proxy voting.

635

This Bill contains reforms recommended by the Independent Review Panel, appointed to review the transparency of processes applying to candidates standing for election following events which occurred in connection with the 2010 Douglas East by-election. The recommendations in respect of candidates' donations and expenses were included in the Representation of the People (Amendment) Bill 2011, which did not complete its passage through the House of Keys.

640

The Representation of the People (Amendment) Bill 2015 encompasses the reforms, as included in the 2011 Bill, provisions reflecting the Panel's recommendations on the registration and conduct of political parties, which had not been part of the original 2011 Bill, as well as other amendments brought about by the post-2011 election review conducted by the Cabinet Office.

645

Hon. Members may recall that the Bill and its regulations were subject to public consultation last year. The Bill before Council today includes amendments made as a result of this consultation exercise and the presentation to Members of Tynwald and it has been further amended in the Keys.

The Panel recognised early in their considerations that, whatever system may be developed by any jurisdiction in connection with election candidate funding, the design of a completely watertight system is impossible. If people are determined to bend the rules, it is impossible to prevent this.

650

The Panel also recognised that any system of reporting by candidates in relation to election expenses and donations will need to evolve over time; and to be reformed and fine-tuned on a regular basis, as has happened in all mature democracies.

Initially, therefore, a simple and straightforward reporting system has been included in the Bill which, should it be approved, can be amended as and when necessary – for example, if a more
655 sophisticated party political system develops in the Island.

Madam President, the Bill includes provisions that will require all candidates in a House of Keys election to disclose donations received during a defined relevant period that are equal to or greater than the ‘minimum amount’, which has been set at £50. This amount may be amended by regulations, subject to the approval of Tynwald. In addition to donations given to candidates, there
660 are also new provisions to limit the amount a candidate can spend on his or her election campaign. The limit has been calculated using the formula £2,000 plus 50 pence for every person registered to vote in the candidate’s constituency. It is important to note that a candidate will not automatically be required to submit a statement of expenses. This is only required if the Electoral Registration Officer receives a complaint that a candidate has exceeded the specified limit.

The Bill provides for the timing and manner by which donations must be declared. Also, details of what constitute a donation and an election expense is included in the Bill and is further defined in the explanatory notes which have been circulated to Members.
665

Historically, candidates standing for election to the House of Keys have, in the majority of cases, stood as independent candidates. In recent years there has been growing participation by
670 candidates representing political parties. The issue of party political funding is being addressed, for the present time, by seeking to increase the amount of information available in the public domain regarding political parties which support candidates for election to the Keys. Such parties will be required to register their details on a public register. The Bill includes the mechanism for applying to appear on such a register, including conditions to be met, and provides for circumstances in which a party may be removed.
675

The same approach has been taken as that which applies to candidates’ donations and expenses; namely, that the registration requirement should not be onerous. A deliberate light-touch approach has been taken and the Bill provides for very similar requirements as those which currently apply to the registration of charities and trade unions.
680

Proxy voting is open to abuse, but there are voters who have no other means of casting their vote. Therefore, the availability of proxy voting is restricted by the Bill to those who cannot vote in person or cast an advance vote, which is the new term introduced by the Bill for an absent vote.

Madam President, the Bill also makes other changes to clarify and modernise existing provisions and to remove obsolete provisions. Hon. Members will be well aware that next year’s general
685 election is fast approaching. We have the opportunity to ensure a fairer and more robust legislative base is in place in advance of that election.

Further reforms will be included in the election regulations to be made following the passage of this Bill to replace the current mix of regulations and rules, many of which are obsolete and out of date; thereafter, new forms, guidance and codes of practice need to be in place. It is important the
690 whole package is available from early next year in order that candidates and officials are aware of the provisions which will apply to the 2016 General Election.

Madam President, I hope that Hon. Members will be able to give the Bill their support and I beg to move that the Representation of the People (Amendment) Bill 2015 be read a second time.

695 **The President:** The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane. I beg to second.

The President: The Hon. Member, Mr Cretney.
700

Mr Cretney: Could I just ask the mover of the Bill to confirm that the 2010 situation in East Douglas was not one which involved parties; it was, indeed, more to do with a blind trust?

705 He comments also about political parties. Can he just, for the record, be aware that the Manx Labour Party has been represented and fought in elections since 1918 and so has long been represented in the Tynwald setting?

The President: The Hon. Member, Mr Coleman.

710 **Mr Coleman:** Thank you, Madam President.

In reading the explanatory notes, a lot of the amendments from the 2011 Amendment Bill I think indicate that some of them have been taken into account with the drafting of this Amendment Bill. I just wondered whether anyone took due cognisance of the amendments that got passed to that, and I speak specifically about the amendments which went through during that debate in 2011 with reference to candidates providing a register of their interests, such as they would have to complete if they were elected.

715 Mr Watterson, during the debate in 2011 on this issue, put forward an amendment that notwithstanding the proposal about going back 12 months, the Council of Ministers should introduce legislation to require candidates for election to submit to the Clerk of Tynwald a declaration of interest in the same manner as Members of Tynwald. The Branches disagreed on that amendment, but it was brought back for a combined vote and it was carried. So there was a decision of Tynwald, which because it was an amendment has in fact been lost in the depths of time it would appear, and I just wondered if there are any other of those items which may fall into the same category that we should be including within this Amendment Bill.

725 **The President:** The mover to reply.

Mr Corkish: Thank you, Madam President.

I thank Mr Cretney for his questions today. I can totally with him that the way that the Manx Labour Party conducted themselves has been above board and there is no intention of besmirching the good name of the Manx Labour Party.

730 With regard to Mr Coleman, is he referring to the prospective candidate in this particular...?

Mr Coleman: Yes. I think it was that... sorry, Madam President.

735 **The President:** If you wish to clarify for the Hon. Member.

Mr Coleman: That they would actually submit a form to the Clerk of Tynwald and it would be available to be looked at by potential... well, for voters.

740 **Mr Corkish:** Thank you, Madam President.

The matter of the prospective candidate has been looked at to make it clear that a person can declare their intention to stand as a candidate many months before their nomination is accepted by the returning officer, during which time they may receive donations and/or incur expenses. There is then an obligation on a *candidate* to declare relevant donations and expenses, both as a prospective candidate and as a future candidate.

745 **The President:** It does not quite address the question, but –

Mr Coleman: Can I just clarify the point? The point is that, as such –

750

The President: Hon. Member, I do not think you can. I just think that the hon. mover has not got the reply.

Mr Corkish: I am sorry, Madam President.

755 Further then, the legal requirements placed upon a prospective candidate under this Bill... they do not have a nomination paper accepted by a returning officer. They are only required to forward anonymous donations. Any candidate must declare those donations and that candidate's expenses must include those incurred while he is a prospective candidate and a candidate. If that is not an answer to your question, Mr Coleman, I will defer to the members of the Cabinet Office who have
760 looked further into that particular question, if I may Madam President?

The President: Indeed, you may. Would you like to –

Mr Corkish: Mr Quayle is here from the Cabinet Office.

765

The President: Would you give us your name and office, please, Mr Quayle, for the record.

Mr Quayle: Certainly, Madam President.

My name is Stuart Quayle. I am a senior external relations manager in the Cabinet Office.

770

The simple answer is: I do not know the reasons why this particular point was not included. But from our consideration the 2011 Bill did not go through House of Keys; it was introduced to the Keys, but it was not passed by the Keys. So I am not sure, if I am perfectly honest, exactly what you are referring to in terms of the joint resolution of Tynwald on that particular matter.

775

The President: The Hon. Member may respond, but I think the point here is that if there is something that is not in the Bill that you wish to see in it, you should be bringing forward amendments.

Mr Coleman: It was not –

780

The President: I will allow you to communicate with Mr Quayle, Hon. Member, for clarity.

Mr Coleman: The point I was really making was not a specific. I quoted an example, and there might have been amendments in the 2011 Bill which in the process might have been voted for and I just wondered whether they had been considered when we came up with the recommendations that we have here. Or because the Bill had fallen, the will of Tynwald – it was a 20 to 10 vote for this amendment by way – obviously that this would be a good idea to have.

785

But I wanted to know whether there was a general scanning of what went on in 2011 to look at items which Tynwald felt were good ideas and good amendments, even though at the end of the day the Bill fell. That was it.

790

The President: I do not know whether you have that background, Mr Quayle, but –

Mr Quayle: The answer to the generality is that the 2011 Bill was thoroughly reviewed, as were the debates surrounding that Bill, and it went through quite a long process of review through the Council of Ministers Governance Committee and they reached a conclusion at what aspects they wanted to pick up from the earlier deliberations.

795

But more broadly, because it is a deliberately light-touch approach to regulation, the pre-candidate declaration of interests around that point I think would go further than what the intention of this Bill was as a starting point for that kind of regulation. But there was a thorough review of what was on the table at that time.

800

The President: Thank you, Mr Quayle.
Mr Corkish, do you wish to continue?

805

Mr Corkish: Thank you, Madam President.

I would just like to thank Mr Quayle from the Cabinet Office for the further information, and I hope that satisfies, to some degree, that question posed by Mr Coleman.

I beg to move.

810

The President: The motion is that the Bill be read a second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Representation of the People (Amendment) Bill 2015 – Clauses considered

The President: We turn now to the clauses, and the mover has requested to move various groups of clauses together. We can do that, Hon. Members, but we will be jumping around in one or two places and if there is a feeling that each clause should be voted on separately, we can do that.

815

So we take clauses 1 and 2 first, please, Hon. Member.

Mr Corkish: Thank you, Madam President.

I thank you for your agreement. Before moving on to the consideration of clauses, I would like to thank the Hon. Members for hearing the Bill and supporting the Bill through First and Second Readings.

820

As detailed, the explanatory notes have been circulated. I do not propose to go into the detailed specifics of each clause as Members will have that information, but I will provide an overview of the effect of the clauses.

825

Clause 1 gives the Bill its short title.

Under clause 2, the Council of Ministers, by order, can introduce different parts of the Act on different dates for different purposes. This clause also provides for the Act to cease to have effect on the day following its promulgation or on the day following that on which the last of its provisions comes into operation.

830

Madam President, I beg to move that clauses 1 and 2 do stand part of the Bill.

The President: Do we have a seconder?

Mr Henderson: I beg to second, Eaghtyrane.

835

The President: The motion is that clauses 1 and 2 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clauses 3, 4 and schedule 1.

840

Mr Corkish: Thank you, Madam President.

Clauses 3 and 4 identify the Act which the Bill amends and provide a schedule of amendments to be made throughout the Act.

Clause 3 provides for the Representation of the People Act 1995 to be amended in accordance with the provisions of this Bill.

845

Clause 4 allows for the provisions in schedule 1 to amend the 1995 Act so as to make it gender-neutral.

Madam President, I beg to move that clauses 3 and 4 and schedule 1 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

850

Mr Henderson: I beg to second, Eaghtyrane.

The President: The Hon. Member, Mr Turner.

Mr Turner: Just a comment, really, Madam President.

855 Obviously going forward we are making a lot of the legislation gender neutral, but I cannot help
just to comment on the schedule of how complex that is – changing all ‘he’ and ‘she’, ‘himself’ and
‘herself’. I commend the drafter and I cannot guarantee that every one of those I can say is in the
right place, but it is an extremely complicated schedule. It is more of a comment, and obviously
going forward we are looking at the gender neutrality, but it is quite an interesting schedule. I have
860 never seen anything like that before.

The President: Not before time. *(Laughter)*

Mr Turner: Absolutely!

865

A Member: Hear, hear.

The President: I have often said we should have a word which is ‘s/he’ so you can interpret it
either way.

870 Hon. Member, the mover to reply.

Mr Corkish: Yes, thank you, Madam President.

I thank my hon. colleague, Mr Turner, for his comment and overview on ‘he’ and ‘she’, and
perhaps it should be termed as ‘they’. I do not know. *(Interjection)* Yes.

875 I beg to move, Madam President.

The President: The motion is that clauses 3, 4 and schedule 1 stand part of the Bill. Those in
favour, please say aye; against, no. The ayes have it. The ayes have it.

Clauses 5.

880

Mr Corkish: Thank you, Madam President.

Clause 5 includes new provisions on what qualifies and disqualifies a person from standing for
election to the House of Keys. Inclusion on the electoral register for any area in the Island is a new
qualification, extending the existing requirement that any person wishing to nominate a candidate
885 must be a registered elector.

New disqualifications are added to provide further assurance that those standing for election are
fit and proper persons. The Council of Ministers believes it to be in the public interest to prevent
persons with unspent convictions of offences, concerning bribery, dishonesty and corruption, from
standing as candidates. Therefore, the new provisions relate to those convicted of such offences,
890 those serving a custodial sentence following any conviction and those who are an undischarged
bankrupt. The current provision disqualifying those deemed incapable of sitting in the House of Keys
under this or any other Act is retained, but clarified by the Bill.

This clause also specifies that the general election will take place every five years on the fourth
Thursday in September and that the Keys will be dissolved six weeks before this date.

895 Madam President, I beg to move that clause 5 do stand part of the Bill.

Mr Henderson: I beg to second, Eaghtyrane.

The President: The Hon. Member, Mr Cretney.

900

Mr Cretney: Can I just ask then, I presume that there was consideration given because the
September election was new in the last general election and there were two alternatives considered

at that time: either May or September. So I am taking it that the powers that be decided that September is a good time to have the general election for the future.

905

The President: The mover to reply.

Mr Corkish: Thank you, Madam President.

910 I can only accept, perhaps as Mr Cretney may have alluded to, that yes, after due consideration of May or September, September was deemed to be... following the results shown in the last election that September was an accepted month for the election.

The President: The motion is that clause 5 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

915

Clause 6.

Mr Corkish: Thank you, Madam President.

920 Clause 6 inserts new sections 10A to 10N into the Representation of the People Act 1995. A deliberate light-touch approach has been taken so that this first step towards regulating political parties does not impose an onerous administrative burden.

The purpose of this clause is to take an initial step in encouraging political parties to register in order to increase openness and transparency regarding their activities. To be clear, organisations, including political parties that do not appear on the register, are *not* being outlawed by this clause.

925 The Bill includes a definition of a 'political party' specifying that one of the expressed objectives of a party's constitution must be that it supports or otherwise endorses a candidate for election to the Keys. A party covered by this definition is eligible for registration under this clause. A political party that does not meet this definition would not qualify for registration, but could continue to promote itself as a political party under its own constitutional arrangements. Hon. Members will appreciate that it should be fairly clear in the public's mind which organisations should register as political parties.

930 Candidates will be able to receive donations from any organisation, with transparency coming not from a link to a registered political party, but from the requirement to declare donations above the minimum amount. There is a clear difference between receiving donations from organisations and standing for a political party. The draft regulations seek to make this distinction even clearer by allowing candidates to include details of their political party on their nomination paper and on the ballot paper. The ordinary meaning of the word 'endorsement' provides assistance with regard to the nature of implied endorsement, specifying that it has to be explicit and made publicly. If either of these conditions is not met, there can be no endorsement, implied or otherwise – for example, simply agreeing with policies of a political party would not amount to a candidate being endorsed by that party.

940 I do not propose to go through this lengthy clause line by line as Hon. Members have this information to hand, but to summarise, in order to register, a party has to supply basic information, along with a copy of its constitution and most recent accounts. The application has to be signed by at least 20 registered electors, to correspond to the number of electors required to support a candidate's nomination. These 20 registered electors do not have to be active members of a political party and their names are not included on any documents that are available to the public from General Registry.

945 Parties can be removed from the register, but this is subject to appeal and reapplication. As parties are only required to register in order to support or endorse candidates to the House of Keys, one of the reasons for removal is failure to do so for three successive general elections. Parties must not retain anonymous donations and must forward them to the Chief Financial Officer. Although the donations are then forwarded to the Manx Lottery Trust for distribution, the destination for said donations can be changed by regulations, subject to Tynwald approval.

950 Madam President, I beg to move that clause 6 do stand part of the Bill.

955 **The President:** The Hon. Member, Mr Henderson.

Mr Henderson: I beg to second, Eaghtyrane, and reserve my remarks.

The President: The motion is that clause 6 do stand part of the Bill. Those in favour, please say
960 aye; against, no. The ayes have it. The ayes have it.
Clause 7.

Mr Corkish: Thank you, Madam President.

This clause divides part 2 of the Representation of the People Act 1995, which deals with the
965 organisation of elections into four divisions for clarity and ease of reference.

I beg to move that clause 7 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

970 **Mr Henderson:** I beg to second, Eaghtyrane, and reserve my remarks.

The President: The motion is that clause 7 do stand part of the Bill. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.
975 Clause 8.

Mr Corkish: Thank you, Madam President.

Clause 8 substitutes section 12 of the 1995 Act and provides for the Council of Ministers by order,
and after appropriate consultation, to divide any constituency into two or more polling districts. For
980 clarity, the 1995 Act only deals with boundaries for polling districts in relation to House of Keys
elections.

Madam President, I beg to move that clause 8 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

985 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second and reserve my remarks.

The President: The motion is that clause 8 do stand part of the Bill. Those in favour, please say
aye; against, no. The ayes have it. The ayes have it.
990 Clauses 9, 10 and 11.

Mr Corkish: Thank you, Madam President.

I should like to group clauses 9, 10 and 11 as they all contain provisions relating to returning
officers and their deputies.

995 Clause 9 amends section 16 of the 1995 Act to clarify when a returning officer must take an oath
of office.

Clause 10 amends section 18 of the 1995 Act to require a returning officer to appoint one or
more deputies, who can be authorised to perform any or all of the returning officer's functions. It
also requires every function of a returning officer to be able to be exercised in the returning officer's
1000 absence.

Clause 11 amends section 20 of the 1995 Act to remove the requirement for returning officers to
submit their expenses claims in duplicate.

Madam President, I beg to move that clauses 9, 10 and 11 do stand part of the Bill.

1005 **The President:** The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1010 **The President:** The motion is that clauses 9, 10 and 11 do stand part of the Bill. Those in favour,
please say aye; against, no. The ayes have it. The ayes have it.
Clause 12.

Mr Corkish: Thank you, Madam President.

1015 Clause 12 inserts new sections 20A to 20G into the 1995 Act. The provisions contained in this
clause should be read in conjunction with new schedule 3A, inserted as schedule 2 to the Bill under
clause 33, which with your assistance I intend to move next. Again, I do not propose to go through
this lengthy clause line by line. The new sections introduce a starting point to regulating and
providing transparency regarding donations received and expenses incurred by candidates.

1020 The Independent Review Panel recommended that a period, known as the 'election window'
should exist, during which expenses should be limited and donations declared. In respect of a
general election, this window is 12 months up to polling day and in the case of any other election
the window is from the date on which the vacancy occurs until polling day.

1025 As a person only officially becomes a candidate when their nomination has been accepted by the
returning officer, in order to legislate for this recommendation there are references to 'prospective
candidate' throughout this clause. The purpose of the concept of a prospective candidate is to
recognise that a person can declare their intention to stand many months before they become an
official candidate for an election. There is then an obligation on that person to declare relevant
donations and to limit expenses, both as a prospective candidate and as a candidate.

1030 The new sections impose a requirement to submit a written declaration of donations of or worth
£50 or more received as a candidate or as a prospective candidate. If a number of donations are
given by the same person or by connected persons, the amount must be aggregated in order to
establish whether the £50 limit has been exceeded. A donation can be of money, a loan of money,
goods or the use of goods or services. If no donations have been received, then there is still a
requirement for a written declaration to be made to that effect.

1035 If a candidate or prospective candidate receives an anonymous donation, they must not keep the
donation; instead, the donation must be sent to the Chief Financial Officer, who will pay the amount
to the Manx Lottery Trust. Other charitable trusts may be prescribed in regulations, which are
subject to Tynwald approval.

1040 As far as election expenses are concerned, a candidate's total campaign expenditure during the
relevant period as a candidate and, if appropriate, a prospective candidate must not exceed the
maximum amount of £2,000, plus 50p per registered elector. This amount is variable by regulation.
Depending on the constituency and registration rates, the proposed limit equates to approximately
£4,500 to £5,000. Complaints alleging that a candidate's election expenses have exceeded the
1045 maximum amount must be lodged within three months of an election. This period is longer than the
existing 28 days during which an election petition can be presented and is considered a reasonable
length of time for a candidate to be expected to retain information regarding their campaign
expenses.

1050 This clause was amended in the Keys to allow parameters to be set around the manner and form
of any such complaint. This will allow, for example, a requirement for a complaint to be made in
writing with the name and address of the complainant supplied, together with other particulars,
such as the reason why it is alleged that the expenses have exceeded the maximum amount. If such
a complaint is made, the candidate must supply a written declaration itemising the amounts
expended – whether direct or notional – and the goods and services to which the amounts relate.
1055 Invoices, receipts and other proof of expenses must be submitted if requested. Declarations relating
to a candidate's donations and expenses will be available for inspection at the General Registry.

The purpose of these provisions, particularly the limit, is to create a level playing field as far as
possible and to promote open and transparent elections. It is important to remove any real or

perceived advantage to candidates with significant personal wealth or backed by wealthy individuals or organisations.

1060 Madam President, I beg to move that clause 12 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Sorry, Eaghtyrane.

1065 I beg to second.

The President: The Hon. Member, Mr Turner.

Mr Turner: The point I am going to raise actually could be raised at any point during this, but I think specifically for this because this is an important area.

1070 The Bill itself, obviously, is drafted in a way that it has to work technically and legally. Is there going to be some sort of guidance pack made available for candidates, rather than having to delve through the Representation of the People Act when it is amended? We know ourselves how difficult it can be to find certain things that we are looking for, and whilst you would expect candidates to familiarise themselves with the broad purposes of the Act, getting down to the specifics can be quite difficult. So is there going to be any guidance, maybe information packs, for candidates to assist them to ensure that they could do everything correctly? Because I would imagine they all want to do it correctly, but there is a lot in here that they have to do and some changes, and that would certainly help candidates I would presume.

1080

The President: The Hon. Member, Mr Cretney.

Mr Cretney: I would just like to place on record my strong support for this particular part of the proposed legislation inasmuch as we see in other jurisdictions, perhaps larger jurisdictions, that some people can buy themselves into an elected office, and I think it is very appropriate and correct that we have these limits. I think on the Isle of Man, as a matter of course anyway, that if people were too brash, in terms of their election campaign, it may rebound on them anyway. But I do believe this is an important measure.

1090 **The President:** The mover to reply.

Mr Corkish: Thank you, Madam President.

1095 The short answer to that posed by Mr Turner is yes, there will be an information package available to prospective candidates for the 2016 election so they are not ignorant of what is implied before their move.

I totally agree with Mr Cretney and I thank him for his... yes, this introduces a level playing field here and encourages transparency for everybody concerned and good governance here on the Isle of Man.

Madam President, I beg to move.

1100

The President: The motion is that clause 12 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Now we jump to clause 33, Hon. Members, on page 33 of the Bill, along with schedule 2.

Mr Corkish.

1105

Mr Corkish: Thank you, Madam President, and I thank you again for your help and assistance.

Moving clause 33, it inserts schedule 3A into the 1995 Act and provides more detail as to the meaning of 'donations and expenses' referenced in clause 12. So, with your permission, I am moving clause 33 now, and I thank you for that.

1110 In summary, money spent or services received as part of an election campaign in order to increase a person's chances of success or to try to prejudice the chances of another candidate are included as election expenses. A gift of money, a loan of money provided with an interest rate lower than market value and discounted use of goods or services for the same aforementioned purposes are included as donations.

1115 Volunteers' time is often regarded as a more common and useful donation than a gift of money, but the schedule makes it clear that a volunteers' time is not included as a donation or a notional expense, but any goods used or supplied by a volunteer would be included as such.

Expenses incurred during the relevant period – in normal circumstances that means the 12 months prior to polling day – are counted; however, any cost incurred before provisions relating to expenses come into force would be excluded from being an expense.

1120 There are exceptions detailed in schedule 2 which include volunteers' time, as it is recognised candidates do receive voluntary help with their campaign from family and friends. There is an exception for expenses incurred in connection with a person's proper performance in elected office. Also, the Council of Ministers is provided with an order making power to disregard certain costs from being included as expenses. This is a safeguard to provide for further exceptions to be made if it is found that any are required.

Several technical amendments were made to the schedule in the Keys to deal with four issues. The first issue was that the schedule did not make the distinction between a 'candidate' and a 'prospective candidate' throughout.

1130 The second related to references to anonymous loans. A loan cannot be anonymous as the lender must be identified in order for it to be repaid.

The third issue was an inconsistency, in terms of a restriction in the timeframe within which an anonymous gift of money could be made, and the final issue related to an incorrect cross-reference.

1135 I do not propose to go into further detail as the schedule is intended to give an overview of the purposes and timeframes that should be considered when determining whether or not something is to be included as a donation and/or as an expense.

Madam President, I beg to move that clause 33 and schedule 2 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1140

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

The President: Lord Bishop.

1145

The Lord Bishop: Thank you, Madam President.

I am interested in section 5 or paragraph 5 of schedule 2, the exception for newspapers and broadcasts:

'A person does not make a donation by publishing any matter relating to an election'

1150 And then the second says 'except for an advertisement' – interesting to have a definition of 'advertisement' because the technical use of advertisement is simply to inform somebody about something. Presumably this word 'advertisement' is being used in the technical sense of a commercial advertisement.

The President: The Hon. Member, Mr Cretney.

1155

Mr Cretney: Could I just seek a little bit of clarification in relation to the use of volunteers? The Member has indicated that the use of volunteers would be considered as not a charge, a cost. However, if the volunteer happened, for example, to be a taxi driver and put at the disposal of a

1160 candidate his taxi during the day, would the fuel which was consumed during the day be considered to be an expense?

The President: The Hon. Member, Mr Turner.

1165 **Mr Turner:** Just to build on the Lord Bishop's comment about advertisement, I think, certainly from my experience in commercial radio, that they are not able to take commercial advertisements for candidates. I think it would not be the best step, having heard the campaigns in the United States – the radio advertisements for candidates standing for various offices out there were incredible. They were literally saying, 'Don't vote for my opponent because they are terrible people', and they were literally accusing them of all sorts of corruption. Whilst making very entertaining listening, it does cause problems. I think the broadcasting rules prevent that anyway, here.

1170 I think what the Lord Bishop was talking about was to do with advertisements placed in the printed media, in which case if somebody does take out some column inches of non-editorial, an advertisement with the vote for whoever, then I am sure that would be a declarable cost because it is in fact purchasing, just as it is purchasing the leaflets and the posters and the banners.

1175

The President: The Hon. Member, Mr Coleman.

Mr Coleman: Thank you, Madam President.

1180 I just have a question about interpretation. If a candidate happened to own a company which had delivery vans going all around his constituency and he had very large advertisements on the side of that delivery van, how would that be interpreted? Because it would be going around in the usual carrying out of his company, it just happens to have a very large mobile advertisement on the side of it. If you looked at the value of attribution, surely it could not be the cost of hiring a van for driving around a constituency and I just wondered how that would be interpreted.

1185

The President: Right, we have some challenges for the Hon. Member to reply to. *(Laughter)*

Mr Corkish: Absolutely. Thank you, Madam President.

1190 Can I first address, perhaps, Mr Cretney and Mr Coleman regarding advertising? I think there are a lot of areas that have been addressed within the Bill, and I think I said at the very beginning that such a Bill is not perfect, neither could be perfect. The fact that a prospective candidate has a friend with a taxi is possible, the same as a man with a fleet of vans. I do not know how or if that has been considered. It happens because you can stick a poster on your own car or a family member's car which would equate, possibly, to the same kind of advertising. It is how that would be converted into an expense, but if I need any further clarification on that I would defer to the Cabinet Office if that has been addressed.

1195

The President: Could we call on you, Mr Quayle, to make a comment?

1200 **Mr Quayle:** Thank you, Madam President, I would be happy to.

The point that Mr Cretney made about petrol expenses, petrol used by a volunteer would be classed as a donation, but because it is unlikely to be above £50 it would not need to be declared, but it would be a notional expense. For intents of purpose of declaration it would not be over £50. Petrol used by a candidate is a direct expense.

1205 In terms of Mr Coleman's point, I go back to what Mr Corkish said about this being a lighter touch as far as possible in the schedule. So in terms of every eventuality I cannot give a definitive answer on whether that would be a direct expense, but it would be something that we can clarify for Third Reading.

1210 **The President:** Is there anything you wish to add, Mr Corkish?

Mr Corkish: No, apart from to thank Mr Quayle for that added clarification and just to say again that this Bill is not perfect; it is one step in a right direction.

Can I defer to Mr Quayle again, who would like to speak?

1215 **The President:** Is there something further you wish to add, Mr Quayle?

Mr Quayle: Thank you, Madam President.

The cost of the advert placed on the van would be a direct expense, so that would be a cost incurred.

1220

The President: There is recipe for confusion in many areas!

1225 **Mr Corkish:** Just to further clarify: coverage by radio or newspapers, of course, would be part of the run-up to an election in any case. A newspaper or radio *advertisement* would be a direct expense, whether it is of a reduced price or free of charge, but coverage – we are moving into a modern age – on Facebook and other issues like that, that is free of charge so there would be no cost incurred there at all.

The President: Right.

1230

Mr Corkish: I beg to move.

The President: The motion is that clause 33 and schedule 2 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1235

We revert now to clause 13 along with clause 14.

Mr Corkish: Thank you Madam President, I would like to group 13 and 14 as they deal with election regulations and the effect of non-compliance with them.

1240 Clause 13 substitutes section 22 and repeals Schedule 2, allowing regulations to be made for the conduct of elections.

Under clause 14, section 23 of the 1995 Act is amended to change the previous reference of rules to that of regulations.

Madam President, I beg to move that clauses 13 and 14 do stand part of the Bill.

1245

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1250

The President: The motion is that clauses 13 and 14 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 15.

Mr Corkish: Thank you, Madam President.

1255

Clause 15 amends section 24 of the 1995 Act to clarify that a person entitled to vote may do so only in person or by proxy.

I beg to move that clause 15 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1260

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

The President: The motion is that clause 15 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1265 Now we have another group clauses, clauses 16, 17, 18 and 25 will be taken together.

Mr Corkish: Thank you, Madam President.

Thank you for your help. Clauses 16, 17, 18 and 25 all relate to either the manner of voting or, in the case of clause 25, consequential amendments generated by the introduction of advance voting.

1270 Clause 16 substitutes section 25 of the 1995 Act to provide that a person may vote in person at an allotted polling station, in advance of polling day or by proxy.

Clause 17 amends the terminology from absent vote to advance vote.

1275 'Absent voting' had been open to any registered voter who would be absent from the polling station for whatever reason. However, the terminology suggested it was only available to those who would be absent from the Island. Availability of advance voting has been restricted to those in the British Islands due to time restrictions arising from the need to issue, send and then return a completed ballot paper.

1280 Clause 18 effectively makes proxy voting a last resort, available only to those electors who cannot vote at the polling station or in advance. This clause seeks to address the deficiencies in the proxy voting system that were exposed in the 2010 Douglas East by-election, whilst recognising that there are a limited number of circumstances under which proxy voting remains the only option for certain electors.

1285 New restrictions on who may apply and the facility for the Electoral Registration Officer to request further information from any applicant will tighten procedures and place an onus on the applicant to prove that they can only vote by proxy.

Clause 25 removes an incorrect reference to voting by post and changes terminology of absent vote to advance vote.

Madam President, I beg to move that clauses 16, 17, 18 and 25 do stand part of the Bill.

1290 **The President:** The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1295 **The President:** The Hon. Member, Mr Cretney.

1300 **Mr Cretney:** Can I ask the mover... with absent voting in the past it was always made clear that that was available, for example, for elderly people or people who were indisposed and what would happen would be that the returning officer or his agent would call to the home of the person who requested such an absent vote. With the advance voting this is still going to be available, is that correct?

The President: The mover to reply.

1305 **Mr Corkish:** Thank you, Madam President and in answer to Mr Cretney the simple answer is yes, that will still be available to the voter.

Mr Wild arrived in the Chamber at 12.14 p.m.

1310 **The President:** The motion is that clauses 16, 17, 18 and 25 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 19.

Mr Corkish: Thank you, Madam President.

1315 Clause 19 makes amendments to reflect modern society and acknowledges the growing number of people who prefer to access information electronically.

The clause provides that public notices must appear in one newspaper and on the Government website and makes display in a conspicuous place in the relevant constituency an option, not a requirement.

1320 Clause 19 also entitles candidates to submit their manifesto for display on the Government website and to be delivered to each household containing a registered elector.

Madam President, I beg to move that clause 19 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1325

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1330 **The President:** The motion is that clause 19 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 20.

Mr Corkish: Thank you, Madam President.

1335 Clause 20 inserts new provisions into the 1995 Act to allow a representative of a named relevant body to be an accredited observer to attend election proceedings. Applications are approved by His Excellency the Lieutenant Governor and observers will be subject to a Code of Practice.

I beg to move, Madam President, that clause 20 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1340

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1345 **The President:** The motion is that clause 20 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clauses 21 and 28.

Mr Corkish: Thank you, Madam President.

1350 I thank you again for your assistance. I wish to group clauses 21 and 28 as they relate to corrupt and illegal practices and those who may be granted relief.

Clause 21 amends provisions regarding corrupt and illegal practices to take into account the more serious offences in relation to political parties and to funding, which are detailed in clause 26.

1355 Clause 28 amends section 63 of the 1995 Act to provide protection to returning officers by clarifying that anything they have done or omitted to do, in good faith, in the exercise of their functions would not be subject to High Court proceedings in relation to illegal practices, payment or hiring.

Madam President, I beg to move that clauses 21 and 28 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1360

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1365 **The President:** The motion is that clauses 21 and 28 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 22.

Mr Corkish: Thank you, Madam President.

1370 Clause 22 expands provisions regarding election publications so that they apply in relation to discouraging or preventing a person being elected as well as promoting a person to be elected. It also clarifies where such material can be posted, including by electronic means.

Madam President, I beg to move that clause 22 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1375 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second and reserve my remarks.

The President: The motion is that clause 22 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1380 Clauses 23 and 24.

Mr Corkish: Thank you, Madam President.

I would like to group clauses 23 and 24 as they both update the legislation to reflect modern social conditions.

1385 Clause 23 substitutes section 40 of the 1995 Act to specify premises where alcohol or other refreshment is sold or supplied cannot be used for election purposes. Parts of such premises which have separate entrances may be used.

Clause 24 repeals section 41 of the 1995 Act which is an outdated provision relating to bands of music.

1390 Madam President, I beg to move that clauses 23 and 24 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

1395 I beg to second and reserve my remarks.

The President: The motion is that clauses 23 and 24 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

We have already dealt with clause 25 and so we go to clause 26, Hon. Members.

1400

Mr Corkish: Thank you.

Clause 26 inserts new sections 44A and 44B into the 1995 Act to update offences of illegal practices in relation to offences connected to political parties and funding.

Madam President, I beg to move that clause 26 do stand part of the Bill.

1405

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

1410

The President: The motion is that clause 26 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clauses 27 and 29.

1415 **Mr Corkish:** Thank you, Madam President.

They are grouping 27 and 29 clauses as they both make amendments to interpretation provisions.

Clause 27 removes duplicate definitions of 'candidate' and 'prescribed' as these are defined under section 77 of the 1995 Act.

1420 Clause 29 amends section 77 of the 1995 Act and inserts new definitions into the interpretation section.

Madam President, I beg to move that clauses 27 and 29 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1425

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

The President: The motion is that clauses 27 and 29 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1430

Clause 30.

Mr Corkish: Madam President, clause 30 amends section 80 of the 1995 Act to clarify the position that regulations cannot be made in respect of the procedure on election petition as this is dealt with under Rules of Court.

1435

Regulations may amend the time periods referenced in the newly inserted sections relating to election donations and expenses.

I beg to move that clause 30 do stand part of the Bill.

1440

The President: The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

The President: The motion is that clause 30 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1445

Clause 31.

Mr Corkish: Thank you, Madam President.

1450

Clause 31 includes a transitional provision regarding the coming into force of the provisions of the Act. Any period of time before a provision is operational is to be disregarded.

Madam President, I beg to move that clause 31 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1455

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second and reserve my remarks.

The President: The motion is that clause 31 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1460

Clause 32.

Mr Corkish: Thank you.

Clause 32 amends paragraph 1 of schedule 3 to the 1995 Act to insert a new definition for 'prescribed' as it concerns the procedure on election petition.

1465

Madam President, I beg to move that clause 32 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1470 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second and reserve my remarks.

The President: The motion is that clause 32 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
We have already dealt with 33, clause 34.

1475 **Mr Corkish:** Thank you, Madam President.
Clause 34 repeals transitional provisions which are now spent.
Madam President, I beg to move that clause 34 do stand part of the Bill.

1480 **The President:** The Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.
I beg to second and reserve my remarks.

1485 **The President:** The motion is that clause 34 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 35.

Mr Corkish: Can I group clauses –

1490 **The President:** I am sorry – clause 35, you want to add clauses 36 and 37 in the same group.

Mr Corkish: With your indulgence, thank you, Madam President.

1495 I would like to group clauses 35, 36 and 37. They all contain consequential amendments to various Acts.

Clause 35 provides for consequential amendments to the Local Elections Act 1986 relating to election regulations, qualification/disqualification and advance voting. The amendments do not incorporate provisions regarding proxy voting, donations, expenses, registration of political parties or accredited observers.

1500 Clause 36 provides for consequential amendments to the Payment of Members Expenses Act 1989, only in as far as references to the Election Rules are replaced with references to election regulations.

Clause 37 provides for consequential amendments to the Registration of Electors Act 2006.

1505 In particular, clause 37 clarifies the position that, due to the constituency boundary changes approved in the Representation of the People (Amendment) Act 2014, different polling districts can apply for elections to the Keys and elections to local authorities. Therefore, a person will be registered in one polling district for Keys elections and one polling district for local authority elections.

1510 A further amendment is included under clause 37 to provide that the Chief Secretary must appoint a person employed in the Cabinet Office to be the Electoral Registration Officer.

Madam President, I beg to move that clauses 35, 36 and 37 do stand part of the Bill.

The President: The Hon. Member, Mr Henderson.

1515 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second and reserve my remarks.

The President: The motion is that clauses 35, 36 and 37 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1520 Hon. Members, that concludes consideration of the business on our Order Paper.

Procedural

The President: Before we adjourn, can I just make the point that if Hon. Members are moving amendments, and time permits it, could you please advise the Clerk of the wording so that it can be circulated to Members so that they can look at it in advance of consideration.

1525 Thank you, Hon. Members, Council will now adjourn. The adjournment will be until Tuesday next, 12th May, in this Chamber.

The Council adjourned at 12.26. p.m.