

## **EXPLANATORY NOTES**

### **CHARITIES ACT 2006**

#### **INTRODUCTION**

#### **SUMMARY**

#### **BACKGROUND**

#### **THE ACT**

##### **Commentary on Sections**

Sections 1 – 3: Meaning of “charity”; Meaning of “charitable purposes”; The “public benefit” test

Section 4: Guidance as to operation of public benefit requirement

Section 5: Special provisions about recreational charities, sports clubs etc.

Sections 6 and 7 and Schedules 1 and 2: The Charity Commission

Section 8: The Charity Tribunal

Section 9: Registration of Charities

Section 10: Interim changes in threshold for registration of small charities

Section 11: Changes in exempt charities

Section 12: Increased regulation of exempt charities under 1993 Act

Section 13: General duty of principal regulator in relation to exempt charity

Section 14: Commission to consult principal regulator before exercising powers in relation to exempt charity

Section 15: Application cy-près by reference to current circumstances

Section 16: Application cy-près of gifts by donors unknown or disclaiming

Section 17: Application cy-près of gifts made in response to certain solicitations

Section 18: Cy-près schemes

Section 19 – Power to suspend or remove trustees etc. from membership of charity

Section 20 – Power to give specific directions for protection of charity

*These notes refer to the Charities Act 2006 (c.50)*

Section 21 – Power to direct application of charity property

Section 22 - Relaxation of publicity requirements relating to schemes etc.

Section 23 - Participation of Scottish and Northern Irish charities in common investment schemes etc.

Section 24 – Power to give advice and guidance

Section 25 – Power to determine membership of charity

Section 26 – Power to enter premises and seize documents etc.

Section 27: Restrictions on mortgaging

Section 28: Annual audit or examination of accounts of charities which are not companies

Section 29: Duty of auditor etc. of charity which is not a company to report matters to Commission.

Section 30: Group Accounts

Section 31: Relaxation of restriction on altering memorandum etc. of charitable company

Section 32: Annual audit or examination of accounts of charitable companies

Section 33: Duty of auditor etc. of charitable company to report matters to Commission

Section 34 and Schedule 7: Charitable incorporated organisations

Section 35: Waiver of trustee's disqualification

Section 36: Remuneration of trustees etc. providing services to charity

Section 37: Disqualification of trustees receiving remuneration by virtue of section 36

Section 38: Power of Commission to relieve trustees, auditors etc. from liability for breach of trust or duty

Section 39: Trustees' indemnity insurance

Sections 40, 41, and 42: Power to transfer all property; Power to replace purposes; and Power to modify powers or procedures

Section 43: Power to spend capital

Section 44: Merger of charities

Section 45: Regulation of public charitable collections

Section 46: Charitable appeals that are not public charitable collections

Section 47: Other definitions for the purposes of this Chapter

*These notes refer to the Charities Act 2006 (c.50)*

- Section 48: Restrictions on conducting collections in a public place
- Section 49: Restrictions on conducting door to door collections
- Section 50: Exemption for local short-term collections
- Section 51: Applications for certificates
- Section 52: Determination of applications and issue of certificates
- Section 53: Grounds for refusing to issue a public collections certificate
- Section 54: Power to call for information and documents
- Section 55: Transfer of certificates between trustees of unincorporated charity
- Section 56: Withdrawal of, or addition or variation of conditions in, certificates
- Section 57: Appeals against decisions of the Commission
- Section 58: Applications for permits to conduct public charitable collections in a public place
- Section 59: Determination of applications and issue of permits
- Section 60: Refusal of permits
- Section 61: Withdrawal or variation etc. of permits
- Section 62: Appeals against decisions of local authority
- Section 63: Regulations
- Section 64: Offences
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- Section 66: Service of documents
- Section 67: Statements indicating benefits for charitable institutions and fund-raisers
- Section 68: Statements indicating benefits for charitable institutions and collectors
- Section 69: Reserve power to control fund-raising by charitable institutions
- Section 70: Power of relevant Minister to give financial assistance to charitable, benevolent or philanthropic institutions
- Section 71: Power of the National Assembly for Wales to give financial assistance to charitable, benevolent or philanthropic institutions
- Section 72: Disclosure of Information to and by Northern Ireland Regulator
- Section 73: Report on the operation of this Act
- Section 74: Orders and regulations

*These notes refer to the Charities Act 2006 (c.50)*

Section 75: Amendments, repeals and transitional provisions

Section 76: Pre-consolidation amendments

Section 77: Amendments reflecting changes in company law audit provisions

Section 78: Interpretation

Section 79: Commencement

Section 80: Short title and extent

**TERRITORIAL EXTENT**

**TERRITORIAL APPLICATION: WALES**

**COMMENCEMENT**

**HANSARD REFERENCES**