



Charities Act 2006

2006 CHAPTER 50

PART 2

REGULATION OF CHARITIES

CHAPTER 1

THE CHARITY COMMISSION

Establishment of Charity Commission

6 The Charity Commission

(1) After section 1 of the 1993 Act insert—

“1A The Charity Commission

- (1) There shall be a body corporate to be known as the Charity Commission for England and Wales (in this Act referred to as “the Commission”).
- (2) In Welsh the Commission shall be known as “Comisiwn Elusennau Cymru a Lloegr”.
- (3) The functions of the Commission shall be performed on behalf of the Crown.
- (4) In the exercise of its functions the Commission shall not be subject to the direction or control of any Minister of the Crown or other government department.
- (5) But subsection (4) above does not affect—
 - (a) any provision made by or under any enactment;
 - (b) any administrative controls exercised over the Commission’s expenditure by the Treasury.

Status: This is the original version (as it was originally enacted).

- (6) The provisions of Schedule 1A to this Act shall have effect with respect to the Commission.”
- (2) Schedule 1 (which inserts the new Schedule 1A into the 1993 Act) has effect.
- (3) The office of Charity Commissioner for England and Wales is abolished.
- (4) The functions of the Charity Commissioners for England and Wales and their property, rights and liabilities are by virtue of this subsection transferred to the Charity Commission for England and Wales.
- (5) Any enactment or document has effect, so far as necessary for the purposes of or in consequence of the transfer effected by subsection (4), as if any reference to the Charity Commissioners for England and Wales or to any Charity Commissioner for England and Wales were a reference to the Charity Commission for England and Wales.
- (6) Section 1 of, and Schedule 1 to, the 1993 Act cease to have effect.
- (7) Schedule 2 (which contains supplementary provision relating to the establishment of the Charity Commission for England and Wales) has effect.

Commission’s objectives, general functions etc.

7 **The Commission’s objectives, general functions and duties**

After section 1A of the 1993 Act (inserted by section 6 above) insert—

“1B The Commission’s objectives

- (1) The Commission has the objectives set out in subsection (2).
- (2) The objectives are—
- (1) The public confidence objective.
 - (2) The public benefit objective.
 - (3) The compliance objective.
 - (4) The charitable resources objective.
 - (5) The accountability objective.
- (3) Those objectives are defined as follows—
- (1) The public confidence objective is to increase public trust and confidence in charities.
 - (2) The public benefit objective is to promote awareness and understanding of the operation of the public benefit requirement.
 - (3) The compliance objective is to promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.
 - (4) The charitable resources objective is to promote the effective use of charitable resources.
 - (5) The accountability objective is to enhance the accountability of charities to donors, beneficiaries and the general public.

Status: This is the original version (as it was originally enacted).

- (4) In this section “the public benefit requirement” means the requirement in section 2(1)(b) of the Charities Act 2006 that a purpose falling within section 2(2) of that Act must be for the public benefit if it is to be a charitable purpose.

1C The Commission’s general functions

- (1) The Commission has the general functions set out in subsection (2).
- (2) The general functions are—
- (1) Determining whether institutions are or are not charities.
 - (2) Encouraging and facilitating the better administration of charities.
 - (3) Identifying and investigating apparent misconduct or mismanagement in the administration of charities and taking remedial or protective action in connection with misconduct or mismanagement therein.
 - (4) Determining whether public collections certificates should be issued, and remain in force, in respect of public charitable collections.
 - (5) Obtaining, evaluating and disseminating information in connection with the performance of any of the Commission’s functions or meeting any of its objectives.
 - (6) Giving information or advice, or making proposals, to any Minister of the Crown on matters relating to any of the Commission’s functions or meeting any of its objectives.
- (3) The Commission’s fifth general function includes (among other things) the maintenance of an accurate and up-to-date register of charities under section 3 below.
- (4) The Commission’s sixth general function includes (among other things) complying, so far as is reasonably practicable, with any request made by a Minister of the Crown for information or advice on any matter relating to any of its functions.
- (5) In this section “public charitable collection” and “public collections certificate” have the same meanings as in Chapter 1 of Part 3 of the Charities Act 2006.

1D The Commission’s general duties

- (1) The Commission has the general duties set out in subsection (2).
- (2) The general duties are—
- (1) So far as is reasonably practicable the Commission must, in performing its functions, act in a way—
 - (a) which is compatible with its objectives, and
 - (b) which it considers most appropriate for the purpose of meeting those objectives.
 - (2) So far as is reasonably practicable the Commission must, in performing its functions, act in a way which is compatible with the encouragement of—
 - (a) all forms of charitable giving, and
 - (b) voluntary participation in charity work.

Status: This is the original version (as it was originally enacted).

- (3) In performing its functions the Commission must have regard to the need to use its resources in the most efficient, effective and economic way.
- (4) In performing its functions the Commission must, so far as relevant, have regard to the principles of best regulatory practice (including the principles under which regulatory activities should be proportionate, accountable, consistent, transparent and targeted only at cases in which action is needed).
- (5) In performing its functions the Commission must, in appropriate cases, have regard to the desirability of facilitating innovation by or on behalf of charities.
- (6) In managing its affairs the Commission must have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it.

1E The Commission’s incidental powers

- (1) The Commission has power to do anything which is calculated to facilitate, or is conducive or incidental to, the performance of any of its functions or general duties.
- (2) However, nothing in this Act authorises the Commission—
 - (a) to exercise functions corresponding to those of a charity trustee in relation to a charity, or
 - (b) otherwise to be directly involved in the administration of a charity.
- (3) Subsection (2) does not affect the operation of section 19A or 19B below (power of Commission to give directions as to action to be taken or as to application of charity property).”