

# CHARITIES ACT 2006

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## EXPLANATORY NOTES

### THE ACT

#### *Commentary on Sections*

#### **Section 67: Statements indicating benefits for charitable institutions and fundraisers**

231. This section amends section 60 of the 1992 Act.
232. *Subsections (2) and (3)* read with *subsection (5)* amend sections 60(1)(c) and 60(2)(c) of the 1992 Act to require a professional fundraiser to state the amount of his remuneration in connection with an appeal; or, if that amount is not known at the time of the appeal, to give as accurate an estimate of the amount as is reasonably possible in the circumstances. Currently a professional fundraiser is required to state only in general terms the method by which his remuneration is determined, which has in practice been imprecise and has offered little assistance to those it was designed to help.
233. *Subsection (4)* amends section 60(3)(c) of the Charities Act 1992, which requires a commercial participator to make a general statement outlining the method of determining the benefit to the charitable institution or institutions concerned. Subsection (4) substitutes for section 60(3)(c) a revised section 60(3)(c) which, when read with the amendment made by *subsection (5)*, requires the statement to indicate:
- the amount (or an estimate of the amount if the amount is not known at the time) of the consideration given for goods or services sold or supplied by the commercial participator which is to be given to or applied for the benefit of the charitable institution or institutions concerned;
  - the amount (or an estimate of the amount if the actual amount is not known at the time) of the proceeds of the promotional venture undertaken by a commercial participator which are to be given to or applied for the benefit of the charitable institution or institutions concerned;
  - where an agreement with a commercial participator has been made authorising him to represent that charitable contributions are to be given to or applied for the benefit of the institution concerned, the statement would indicate the amount (or an estimate of the amount if the amount is not known at the time) of the sums given by way of donation in connection with the sale or supply of goods or services which are to be given to or applied for the benefit of the charitable institution or institutions concerned.
234. *Subsection (5)* provides for a new subsection (3A) to be inserted after subsection (3) of section 60 of the 1992 Act. New subsection (3A) provides that the notifiable amount of remuneration is the actual amount if that is known at the time of the statement, otherwise an estimated amount of the remuneration or sum, calculated as accurately as possible in all the circumstances.