



# Charities Act 2006

## 2006 CHAPTER 50

### PART 2

#### REGULATION OF CHARITIES

### CHAPTER 3

#### REGISTRATION OF CHARITIES

*Exempt charities: registration and regulation*

##### **11 Changes in exempt charities**

- (1) Schedule 2 to the 1993 Act (exempt charities) is amended as follows.
- (2) In paragraph (a) (general exemption by reference to law existing prior to Charities Act 1960 ([c. 58](#))) after “1855” insert “(*but see Note 1*)”.
- (3) In paragraph (b) (certain specified universities, colleges and schools)—
  - (a) before “Queen Mary and Westfield College” insert “and”; and
  - (b) omit “and the colleges of Winchester and Eton”.
- (4) Before paragraph (i) insert—
  - (h) a higher education corporation;”.
- (5) After paragraph (i) insert—
  - (j) a further education corporation;”.
- (6) In paragraph (w) (exemption for institutions administered by or on behalf of institutions exempted under preceding provisions) after “last-mentioned institution” insert “(*but see Note 2*)”.
- (7) Omit paragraph (x) (Church Commissioners and institutions administered by them).

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*Status:* This is the original version (as it was originally enacted).

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(8) In paragraph (y) (industrial and provident societies etc.) for the words from “and any” onwards substitute “and which is also registered in the register of social landlords under Part 1 of the Housing Act 1996;”.

(9) At the end insert—

“Notes

- 1        Paragraph (a) above does not include—
- (a) any Investment Fund or Deposit Fund within the meaning of the Church Funds Investment Measure 1958,
  - (b) any investment fund or deposit fund within the meaning of the Methodist Church Funds Act 1960, or
  - (c) the representative body of the Welsh Church or property administered by it.

2        Paragraph (w) above does not include any students' union.”

(10) In section 24 of the 1993 Act (schemes to establish common investment funds), in subsection (8) (fund is to be a charity and, if the scheme admits only exempt charities, an exempt charity) omit the words from “; and if the scheme” onwards.

(11) The Minister may by order make such further amendments of Schedule 2 to the 1993 Act as he considers appropriate for securing—

- (a) that (so far as they are charities) institutions of a particular description become or (as the case may be) cease to be exempt charities, or
- (b) that (so far as it is a charity) a particular institution becomes or (as the case may be) ceases to be an exempt charity,

or for removing from that Schedule an institution that has ceased to exist.

(12) An order under subsection (11) may only be made for the purpose mentioned in paragraph (a) or (b) of that subsection if the Minister is satisfied that the order is desirable in the interests of ensuring appropriate or effective regulation of the charities or charity concerned in connection with compliance by the charity trustees of the charities or charity with their legal obligations in exercising control and management of the administration of the charities or charity.

(13) The Minister may by order make such amendments or other modifications of any enactment as he considers appropriate in connection with—

- (a) charities of a particular description becoming, or ceasing to be, exempt charities, or
- (b) a particular charity becoming, or ceasing to be, an exempt charity, by virtue of any provision made by or under this section.

(14) In this section “exempt charity” has the same meaning as in the 1993 Act.

## 12      Increased regulation of exempt charities under 1993 Act

The 1993 Act is amended in accordance with Schedule 5 (which has effect for increasing the extent to which exempt charities are subject to regulation under that Act).

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

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### **13 General duty of principal regulator in relation to exempt charity**

- (1) This section applies to any body or Minister of the Crown who is the principal regulator in relation to an exempt charity.
- (2) The body or Minister must do all that it or he reasonably can to meet the compliance objective in relation to the charity.
- (3) The compliance objective is to promote compliance by the charity trustees with their legal obligations in exercising control and management of the administration of the charity.
- (4) In this section—
  - (a) “exempt charity” has the same meaning as in the 1993 Act; and
  - (b) “principal regulator”, in relation to an exempt charity, means such body or Minister of the Crown as is prescribed as its principal regulator by regulations made by the Minister.
- (5) Regulations under subsection (4)(b) may make such amendments or other modifications of any enactment as the Minister considers appropriate for the purpose of facilitating, or otherwise in connection with, the discharge by a principal regulator of the duty under subsection (2).

### **14 Commission to consult principal regulator before exercising powers in relation to exempt charity**

After section 86 of the 1993 Act insert—

#### **“86A Consultation by Commission before exercising powers in relation to exempt charity**

Before exercising in relation to an exempt charity any specific power exercisable by it in relation to the charity, the Commission must consult the charity’s principal regulator.”