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The Charity Tax Group Newsletter

December 2025

As the calendar year is rapidly coming to an end, we enjoyed another CTG annual conference at the Royal Society on Friday 5th December. This was a great opportunity for us to catch up with members and equally importantly for members to catch up with each other and share experience and knowledge. We are already looking forward to next year's event!

If you were unable to make the conference, please do look out for our regional events in January, held in conjunction with Mills & Reeve in Cambridge and Oxford.

Plans for next year's series of Expert insight sessions, training and practical working groups are already well advanced and we look forward to seeing in person or on-line over the next 12 months.

You should have also heard the news that Luke Hall is to be our first ever CEO. We are excited about the opportunities that this will bring for CTG to become even more effective in delivering its ever critical mission.

Richard Bray,
Chair, CTG



Latest News

Christmas comes but once a year...as does the CTG annual conference...

The festive season is always a busy time in the world of tax and I am sure that many of you are looking forward to a break, but we are glad that many of you managed to come to our annual conference on Friday 5th December. You can find copies of our slides on the CTG [website](#).

We were very lucky to be joined by the HMRC Charities team as our key note speakers who fielded the questions sent to them in advance. HMRC were followed by a heads up from Nick Bustin at Hays Mac on what we can expect from an HMRC Structured Risk Review (or SRR). Simon Thurston from BDO reminded us about the introduction of payrolling benefits in 2027. We then heard from Socrates Socratous and Luke Savvas about the tax perils of corporate partnership agreements. Our final pre lunch session was delivered by Karen Regan from S3Tax and Lizzy Conder from the National Trust and reminded us about Biodiversity net gains, you can also look back at our [Expert session](#) and [article](#) prepared by Saffery.

The afternoon session brought us a very useful back to basics session on Gift Aid from subsidiary companies with Crystal Leader from Moore Kingston Smith, and a veritable gallop through creative reliefs (theatre, museums and galleries) with Peter Chapman from KPMG. The final technical session was delivered by the CTG technical advisers Kerry Sykes and Harriet Latham from Big for Tax who walked us gently through the concepts of grants, contracts and donated goods. Our final panel was staffed by the CTG Special Adviser Paul Knight, Jon Daley from Crowe UK, and the multitalented Susan Ball who has retired from her day job and is a trustee of both CIOT and The British Dyslexia Association.

You wait ages for one bus, and then four come along at once...

It has been a busy month for the Gift Aid guidance with four upgrades. The first is that following much work by CTG and our colleagues at the Charity Retail Association, HMRC have now published the updated year end Gift Aid letters. These can be found at [Chapter 3.42.11](#).

The next much awaited change is around donations qualifying for Gift Aid. We have been reporting for some time about the changes to consumer rights in the Digital Markets, Competition and Consumers Act 2024 (DMCCA) mean that it is very likely that annual charity membership subscriptions will be subject to a 14 day repayment window. Because tax legislation defines a qualifying donation for Gift Aid as not being “subject to any condition as to repayment”, DMCCA would compromise the ability of charities to claim Gift Aid on annual

memberships. The Government has confirmed that legislation will be introduced to ensure that Gift Aid can still be claimed. Whilst we were expecting to see this in the budget, HMRC have instead updated their guidance at [Chapter 3.13.4](#) to read as follows:

“For membership schemes and contracts that are subject to consumer protection law, where a charity is required by those protections to provide a full or partial refund to a consumer, HMRC’s interim position is that those refunds are an operation of consumer law and not a condition as to repayment for Gift Aid purposes. If a full refund is given by the charity then the donation ceases to qualify for Gift Aid as it is treated as never having been made at all. If a partial refund is made, the amount that has not been refunded may still be eligible for Gift Aid...”

The third change at Chapter 3.9, deals with one of the most significant causes of errors which is names and addresses. HMRC have confirmed that for UK addresses a house name/number plus post code will suffice. For overseas addresses, which HMRC have confirmed includes individuals who live in the Isle of Man or Channel Islands, full address details are required. We are pleased to see that HMRC have maintained the wording which confirms that there is no requirement for full names, but they

“recommend a full name to help us accurately identify each donor and ensure any tax repaid to a charity is correct”.

The final, more minor change is that HMRC have updated their guidance on claiming Gift Aid on volunteer expenses to reflect current payment routes. This applies where a volunteer waives their expenses, but in order to comply with Gift Aid legislation, the charity must first pay the volunteer and the volunteer can then return all or part of the payment. The updated guidance at Chapter 3.41.5 confirms that:

“for audit purposes, [charities should] make expense payments by bank transfer or cheque to an account in the volunteer’s name”.

Is adding complexity really simplification?

We know that a simpler and more understandable tax system is one of the government’s ambitions, but that particular aim seems to have moved a little further away with the publication of the latest [finance bill](#) which is a mighty 554 pages long. Some good news is to be found at s80 which sets out the ‘donated goods’ relief where businesses donate surplus stock to charities without the barrier of a VAT cost.

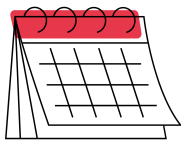
However, the new relief does come with a hurdle in that donations must be used for a non-business activity. This should be fine if the charity intends to

pass on the items to its beneficiaries. However, because the definition of ‘business activity’ is wide ranging it will rule out many donations where the charity wants to use the donated goods itself.

We are also relieved to see that HMRC have listened to representations from charities on the changes to the approved charitable investments legislation and there is now a requirement that investment must be made *“for the sole purpose of benefiting the charitable trust, or for that purpose and one or more ancillary or incidental purposes”*.

Objects in your rear view mirror are closer than they seem...

We reported in the spring that mandatory payrolling of benefits had been deferred until April 2027 but can still be adopted voluntarily from this April. Even if waiting until 2027, all employers need to plan ahead for the change to make sure that they update their processes and communicate well with employees to avoid confusion. Susan Ball (CIOT) and Sarah Hewson (Crowe UK) delivered an excellent [Expert Session](#) for us on this back in September, and Susan has now produced an [article](#) for us on this topic .



Future Events

Mills & Reeve joint events with CTG

Whilst the next CTG annual conference is not now until next autumn, Mills & Reeve are partnering with CTG to run two regional tax update events. They will be held in Cambridge (21 January) and Oxford (29 January). Booking is open [here](#) for the Cambridge event. If you are interested in the Oxford event, please contact [Mills & Reeve](#).

Charity Finance Group

The Charity Finance Group (CFG) are also running a number of events in early 2026 that may be relevant to members. Booking and more details can be found here:

- 22nd January – VAT and Tax
Conference https://cfg.org.uk/events_and_training/vatandtax26
- 11th February – Risk
Conference https://cfg.org.uk/events_and_training/risk26

- 26th February – Technical Update
Conference https://cfg.org.uk/events_and_training/techupdate26
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Our popular **Expert Insight Sessions**, are run as webinars, with expert speakers focused on issues and subjects with wide relevance.

Our next Expert session will be an update on Rates Reliefs and will be delivered by John Webber from Colliers on **15th January 2026**. John is a long time supporter of CTG and a veritable expert in his field so this should be an excellent and informative event. [Booking is now open](#)

Our **Gift Aid** and **VAT** practical issues working groups give charitable organisations the opportunity to discuss the details of these two important areas of tax. Meeting links will be sent out direct to your inbox however please [get in touch](#) if you have any questions.

Gift Aid Practical Issues Working group meetings: 2026 dates for your diary:

- Tuesday 24th February at 4pm
- Tuesday 21st April at 4pm
- Tuesday 16th June at 4pm
- Tuesday 15th September at 4pm
- Tuesday 17th November at 4pm

VAT Practical Issues Working group meetings: 2026 dates for your diary:

- Thursday 11th December at 4pm
- Thursday 26th February at 4pm
- Thursday 23rd April at 4pm
- Thursday 18th June at 4pm
- Thursday 17th September at 4pm
- Thursday 19th November at 4pm

Our **Customs** practical issues working group meetings give charitable organisations the opportunity to discuss customs duties which arise on importing and exporting goods.

Customs Practical Working group meetings: :2026 dates for your diary:

- Tuesday 20th January at 4pm
- Wednesday 30th September at 4pm

*registration links will be sent out direct to your mailbox approx 6 weeks before event.

We run regular sessions for our **Observer members** to share their experiences and the latest news and developments in charity tax. Meeting links will be sent out direct to your inbox however please [get in touch](#) if you have any questions.

Observer Member Meetings: 2026 dates for your diary:

- Thursday 22nd January at 3pm and 4pm
- Thursday 21st May at 3pm and 4pm
- Thursday 10th September at 3pm and 4pm

*registration links will be sent out direct to your mailbox approx 6 weeks before event.

Our previous Expert Insight Sessions recordings and Newsletters can be viewed by clicking the buttons below:

[Expert Insight Recordings](#)

[Previous Newsletters](#)

We are pleased to feature our current Observer members on our website. To see the current list of members and learn more about their organisation please visit the [Observer section](#) on our website.

[OUR WEBSITE](#) / [CHARITY TAX INFORMATION](#) / [SUPPORT US](#)

If you have any questions, feedback or need assistance, please do not hesitate to get in touch. info@charitytaxgroup.org.uk

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