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## The Charity Tax Group Newsletter

June 2025

Welcome to our monthly newsletter. Here you will find our latest insights, news, and training opportunities.

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It is perhaps with some surprise, we find ourselves already into June and nearly halfway through the year.

Whilst some of us may be contemplating summer holidays, there is no let-up in the work of CTG. We are extremely busy with consultation responses, further liaison with HMRC on matters of interest and importance to charities and continuing to enhance our trusted relationship with HMRC and the Treasury.

On that front, we recently took part in a round table meeting with the Exchequer Secretary to the Treasury about tax in the charity sector. We will feature that in next month's newsletter.

There will be a mini summer break from our expert insight sessions, before we restart with enthusiasm in September. We will of course continue to send you the monthly newsletter and extra bulletins if any exciting or urgent news emerges over this quieter period.

**Richard Bray,**  
**Chair, CTG**

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## **HMRC letters on Gift Aid repayments**

HMRC are writing to charity trustees and their agents to help them get their Gift Aid claims right. The letter covers the need to have a gift aid declaration, what needs to be on it, how a donation is linked, the declaration (eg banking records), and how long they need to keep records for. CTG stepped in to ensure that the wording of the communication was as helpful as it could be and would not cause undue concern to charities.

If you have received the letter from HMRC there is no need to get in touch with HMRC, but it may be an opportunity to review your Gift Aid processes. To help with this, CTG will be running a series of new training sessions in the autumn, one of which is getting your gift aid claims right. Details to follow shortly.

## **Delays and rejections of Gift Aid claims**

A number of our members have reported that their gift claims are taking longer to be paid, and in some cases, large claims are being wholly rejected due to small errors on a small number of entries within the overall claim. This is certainly connected with the article above and it does appear that HMRC are applying a more rigorous checking procedure before making repayments. We are going to contact HMRC to see if we can gain a better understanding of what the checks are so that charities can be better prepared to avoid delays in getting their repayments.

## **Practical issues working groups on Gift Aid and VAT (for charity members only)**

We learnt about the above issue in part from our practical issues working group on Gift Aid. This and the VAT group are excellent forums (or fora to be technically correct) for exchanging intelligence

about issues facing charities. Members openly and generously share their experience and ideas of dealing with taxes on a practical level. If you are a charity member organisation and wish to be part of either or both of these groups, please look out for the invitations to the meetings being sent out soon. The groups are held on MS Teams and scheduled for about an hour each quarter. Members can continue to use the Teams Chat function in between meetings to raise questions with peers.

### **Import issues working group?**

In a similar vein, we have had some interest in setting up a third group to cover imports. For example, we have had a lot of interest in how you set up a UKIMS (United Kingdom Internal Market Scheme) number which is relevant for exporting goods to Northern Ireland. The group would cover issues like this. We are currently assessing whether such a group would be popular with members, if you would be interested in joining an Imports Working Group then please get in touch by emailing [info@charitytaxgroup.org.uk](mailto:info@charitytaxgroup.org.uk) with the email heading Imports Working Group so that we can gauge interest.

### **Double digital signature**

As we reported in our last newsletter, we have sought further guidance from HMRC on the requirements for trustees to countersign the Trust and Estate Tax Return (SA900). The response referred us to the notes to the Trust and Estate Return, which state:

“If someone else has filled in the Trust and Estate Tax Return for you, acting on your behalf, you must still sign the tax return yourself to confirm to us that, to the best of your knowledge and belief, it is correct and complete. This applies whether you have paid for the services of an accountant or other tax practitioner, or have had anyone else to help you.”

HMRC then went on to suggest that one solution was for the trustee to be the sole signatory on the digital tax return. In a larger charity where the CFO's team prepares and files the return, it should be possible to ask a trustee to 'digitally sign' the return as part of that formal process. Presumably, this happens through asking them to undertake a review and confirm by email that they are content for it to be filed.

### **Corporation Tax is finally going [mainly] digital**

As part of HMRC's continuing efforts to improve its services to send and receive taxpayer information digitally via online services, HMRC is no longer sending some of its Corporation Tax (CT) letters by post. This includes the notice to deliver a return (CT603), return reminders (CT205/A), interest statements (CT207), and payment receipts (CT209, and the instalment payment reminder (CT608). This will be a big relief as the volume of letters in most organisations has dwindled and this correspondence can be lost en route.

### **VAT medical exemption and zero-rated buildings**

Over the last couple of weeks our technical team have had meetings with HMRC VAT policy teams discussing (1) when medical training equipment can qualify for VAT relief and (2) simplification of the calculation when a zero-rated building is used for business purposes. We have made excellent progress on the first point and look forward to seeing the VAT guidance updated – more details on that when it happens. The second point is considerably more difficult, and we are at least inching towards an improved understanding in HMRC of the complexities and practical difficulties faced by charities in this scenario, even if any solution currently feels some way away.



#### **Tip of the Month**

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Our tip of the month comes from Socrates Socratous, who will deliver our next Expert Insight session on 10th June. [You can book to attend the session here](#)

VAT incurred in relation to non-business activities is not input tax and is never recoverable. Business/non business apportionment calculations are separate to partial exemption calculations and do not have a de minimis limit. Use the Annual adjustment calculations as an opportunity to verify/test whether the existing VAT recovery method is still fit for purpose. This is particularly important where you also have capital goods scheme adjustments as these will be directly affected by the VAT recovery rate.

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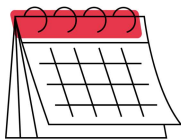


## Future Trustee Opportunities

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### Charity Tax Group is looking for new trustees! Interested?

We will be launching a recruitment campaign for two new trustees in the next week or two, if you're an active, interested charity member of CTG we would love it if you would consider joining us. We're a small and mighty team of currently six trustees and are looking for two special people to join us; one will be someone with a background in fundraising perhaps in trusts and foundations or with a background in growing memberships. The other will be someone who understands monitoring, evaluation, and demonstrating impact. If that sounds like you, or someone you know please look out for the special bulletin in the next two weeks that will contain all the information you need to apply.



## Future Events

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### Expert Insight Sessions

We will be taking a break from our expert insight sessions over July and August when people tend to have other things on their mind (sandcastles or sangria). But we have several sessions in the pipeline for September and beyond and will update once dates are settled. Also look out for our series of new training courses which will be launched in the autumn.

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### Charity Member Only events

We are excited to announce the dates for our next charity members only events. Meeting links will be sent to our Charity members via email in due course.

### Gift Aid Practical Issues Working group meetings:

- Thursday 17th July at 4pm
- Thursday 11th September at 4pm

### VAT Practical Issues Working group meetings:

- Thursday 10th July at 4pm
- Thursday 18th September at 4pm

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### Observer Member Meetings

Save the dates in your diary and look out for booking links which will be sent direct to your inbox.

- Thursday 26th June at 3pm and 4pm
- Thursday 25th September at 4pm
- Thursday 27th November at 4pm

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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.

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Charities can support the CTG with a voluntary membership payment.

[Donate here](#)

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

Thank you for supporting CTG

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