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The Charity Tax Group Newsletter

September 2025

As we hit the end of the summer holidays, it has been a quiet month for changes in the tax world. As a result, HMRC seem to have had sufficient breathing space to enable them to reply on our campaigns to secure relief on charity advertising on social media and inclusion of insurance wrapped investment products as qualifying investments.

We have also been productive and are pleased to publish a paper on biodiversity net gains (BNG) produced by our friends at Saffery.

And finally, whilst we eagerly await the government's confirmation of the autumn budget date, we have fixed the date of our annual conference to be **Friday 5th December** and have scheduled our autumn program of training events.

Richard Bray,
Chair, CTG



Latest News

Charity advertising on social media

CTG has been in discussions with HMRC for some time about the application of VAT zero rating to social media advertising. Last year we sent them a detailed explanation as to why, contrary to their policy, such advertising fell squarely within the zero-rate relief.

After an extended period of consideration, the response from HMRC policy was somewhat disappointing. They remain of the view that social media advertising does not benefit from zero rating relief. The reasoning for this is that all social media advertising is targeted, so users are 'selected', and social media advertising drops into Note (10a) to Group 15, VATA 1994, which was inserted to remove zero rating from direct mailing.

We have advice from counsel which supports our case and are currently considering our next steps. If any charities or observer members are interested in the possibility of pursuing an appeal against HMRC on this point, please [do get in touch with us](#).

Inclusion of insurance wrapped investment products as qualifying investments

We have been working with the Charity Investment Consulting Partnership (CICP) to explore whether HMRC will update their guidance to allow charities to treat the range of insurance wrapped investment products commonly used by pension funds as qualifying investments for tax purposes.

The benefit of this change would be that the charities could access these investment products which carry significantly lower charges than other funds which hold the same products. Unfortunately, HMRC have not been able to agree to this change. It is not clear from HMRC's response where the sticking points are, and so we will continue to work with CICP, the Charity Commission, and HMRC on this.

Bio-diversity Net Gain

CTG are very grateful to Cara Turtington and David Humphrys of Saffery who have produced a note on the tax and accounting considerations for charities entering into [Bio diversity net gains](#) or BNG contracts.

The note, which is available to download from our [website](#), covers income recognition, accruing for costs, and whether the income will be exempt from corporation tax. We are also in advanced discussions with HMRC VAT policy teams on updates to their guidance to explain the VAT consequences of BNG.

Museums and Galleries Exhibition Tax Relief: qualifying exhibitions (MGETR)

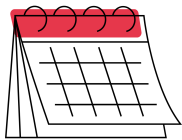
Members who claim this relief should be aware that, as part of their programme to reduce incorrect claims, HMRC have updated their [guidance](#) to clarify that 'qualifying exhibitions' does not include online exhibitions.

Advisory fuel rates – a new rate for electric cars

HMRC have added in a new rate for reimbursement of travel costs for electric company cars where the driver is using public charging which is more costly than home charging. This is good news for employees who are spending more where they travel on business, but means that employers will need to update their expenses systems to accommodate this additional rate.

Reimbursement of Expenses

Staying on the theme of expenses, we are interested to hear from our members and observer members on how charities reimburse expenses. If you are interested in contributing to this research, please complete this [MS forms](#) (anonymously) and we use this in our work with HMRC. The survey will be open until 12th of September.



Future Events

Register now for our Expert Insight Session - Tuesday 2nd September at 4pm

CTG Conference – save the date

The amazing CTG annual conference is back again on 5th December 2025 and will be held at the beautiful Royal Society, 6-9 Carlton House Terrace, London SW1Y 5AG. The event last year was very well received, and we hope to offer another great program. Bookings will open soon.

CTG autumn program

We are delighted to be able to offer 4 new training events to members covering core tax areas. The courses are suitable for anyone new to their role or wanting to refresh their knowledge. The courses are particularly suitable for those working or volunteering in small or medium sized charities. The courses can be booked online using the links below and cost £35+VAT.

[How do I get my Gift Aid claims right?](#)

25/09/2025 at 10am

Gift Aid is a valuable source of funding for many charities. But there is no such thing as a free lunch - claiming Gift Aid is complicated and the HMRC guidance can be a resemble a Labyrinth, so it's important that charities get it right. In this session we will cover: When is charity income eligible for Gift Aid? How do you collect and store Gift Aid declarations? How do you submit Gift Aid claims to HMRC? And, what other rules should you be aware of? How do you navigate the HMRC guidance?

[Should I register for VAT?](#)

16/10/2025 at 3.30pm

Although charities can access some special reliefs, as taxpayers they have to consider whether they should register for VAT -either because they have to, or it would be beneficial to register voluntarily. In this session we will cover: What types of income are subject to VAT? When do you need to register for VAT? When is it beneficial to register voluntarily for VAT? What do you do if you discover you should already be registered for VAT?

[Do I need to submit a corporation tax return?](#)

26/11/2025 at 10am

Charities don't pay corporation tax...this statement is mainly but not totally true and that may be why this is one of the most popular questions we receive at Charity Tax Group. All charities need to consider whether their income streams fall into the charitable tax exemptions, and whether they need to file a tax return with HMRC. in this session we will cover: What are the charity exemptions for corporation taxes? How do they work in practice? What types of charity income could be taxable? What do you do if you have taxable income to report to HMRC or you get a request to submit a corporation tax return?

[What is employment status for tax? And when is a volunteer not a volunteer for tax?](#)

03/12/2025 at 3.30pm

If you have a contract of employment the tax position is quite simple. But if you engage someone to do something for you and they are not an employee, the landscape is a lot more complicated. Whilst the courts spend their time looking at the contracts of highly paid TV presenters, charities have to ask the same question about whether they can pay their 'volunteers' or other service providers without deducting any payroll taxes, or if in fact they should treat these payments as salaries. In this session we will cover: What is employment status and why does it matter? How do you determine employment status? How does employment status apply to volunteers? What can you do to reduce your tax risk in this area?

Training and Events – external partners

In addition to their free [Online CPD training for charity trustees](#), the Institute for Chartered Accountants in England and Wales (ICAEW) are also running a free online event for the trustees & treasurers of small charities on **1 October 2025**. It's a half-day virtual event, free for everyone, including non-members, and the theme for this year's event is 'Preparing for change'. [Bookings are now open](#)

On **15th September** we are teaming up with Withers for a lunch time event with a team from HMRC to consider the new Charity Tax Compliance legislation. This will be held at Withers' offices in central London. We have been asked to submit questions for the HMRC team. Please submit any questions you may have to info@charitytaxgroup.org.uk. An invite to sign up for the event will follow later in the week.

Our popular **Expert Insight Sessions**, are run as webinars, with expert speakers focused on issues and subjects with wide relevance.

Expert Insight Sessions: Dates for your diary:

- Tuesday 2nd September 2025 – Monthly Benefits – the move to payrolling of benefits in kind – Susan Ball and Sarah Hewson, CIOT. - [Registration Open](#)
- Tuesday 14th October – Customs Duties, a practical guide – Jack Ray Atkins, The Customs People.
- Monday 10th November – Dealing with biodiversity net gains (BNG) – Cara Turlington and David Humphrys – Saffery.
- Thursday 15th January 2026 – Rates update – John Webber Colliers.

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: Dates for your diary:

- Thursday 11th September at 4pm
- Extra working group on Tuesday 23rd September at 4pm where Steve Carroll from HMRC will be attending to discuss the new compliance approach.
- Tuesday 2nd December at 4pm

VAT Practical Issues Working group meetings: Dates for your diary:

- Thursday 18th September at 4pm
- Thursday 11th December at 4pm

We run regular **Observer Member** sessions for our Observer members to share their experiences and the latest news and developments in charity tax.

Observer Member Meetings: Dates for your diary

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

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.

Charities can support the CTG with a voluntary membership payment.

[Donate here](#)

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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Our mailing address is:

Charity Tax Group | 7/8 Avon Reach | Monkton Hill | Chippenham | SN15 1EE

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