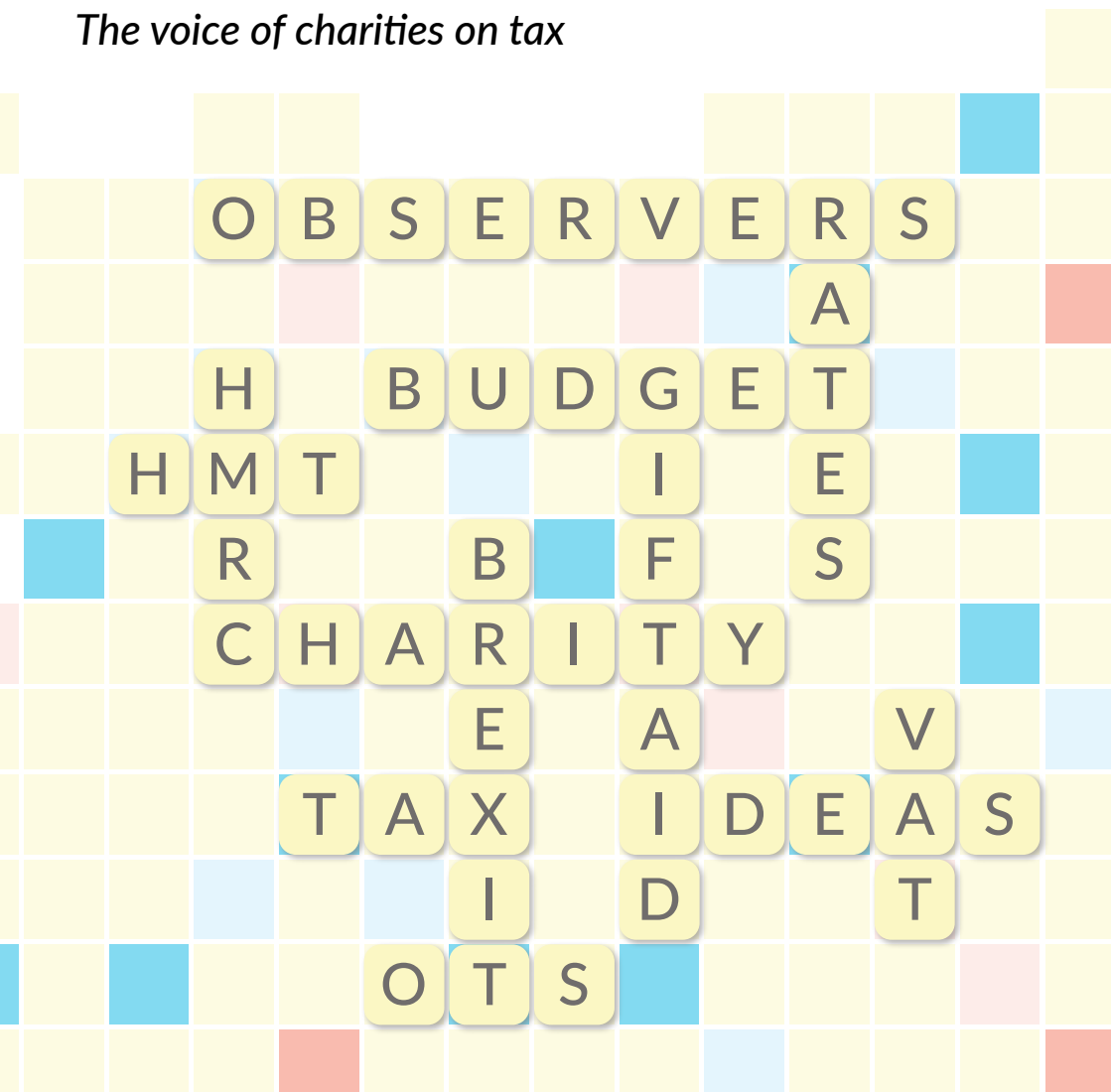


Support the Charity Tax Group

The voice of charities on tax



"I am new to the charity sector and have been very impressed with the work of CTG. Everybody is very friendly and happy to share their experiences. Very early on an important tax issue arose on which we needed a quick answer. This was discussed with CTG and then raised with the HMRC at a policy level and pressed until an answer was given."

Andrew Disley,
Save the Children UK

"CTG has been helpful in working with our tax group to look at potential tax reliefs and incentives for heritage properties. We also find the CTG updates and Tax Conference very useful to identify tax consultations and issues that might be relevant to our sector. Many thanks for all your hard work."

Lizzie Glithero-West,
Heritage Alliance

Recent Achievements

Gift Aid and fundraising: CTG's Gift Aid practical issues working group has worked closely with HMRC to ensure donors know which fundraising activities are eligible for Gift Aid. The working group, made up of leading fundraising charities, has drafted new guidance for HMRC, due to be published in 2018.

Answers from HMRC: Engagement with HMRC officials has enabled CTG to:

- Clarify how **Making Tax Digital for VAT** will apply to charities (including a clear understanding of what accounting processes will be required).
- Persuade HMRC that turnover did not include voluntary income, excluding many fundraising charities from the requirement to produce a **Tax Strategy**.
- Secure confirmation that eligible charities can continue to **submit accounts in PDF form**.

Gift Aid reform: CTG's proposal for new **Gift Aid donor benefit** thresholds has been accepted by HM Treasury and will simplify the previous rules and remove the "cliff-edge" effect. New **Gift Aid Small Donations Scheme** rules have also been introduced, simplifying the eligibility requirements and extending its application to contactless payments.

VAT developments: CTG responded to the Office of Tax Simplification's **VAT Review** highlighting practical and structural reforms to address long-standing obstacles facing charities in the VAT system. CTG has continued to assess the implications of emerging **UK and EU case law**, with detailed commentaries identifying potential opportunities or threats for charities.



Future challenges

Making Tax Digital: CTG and its members will need to play an active role in the pilot process, to ensure that the new reporting requirements are practical for charities to implement. CTG will continue to press for affordable software solutions, as well as clear guidance and training for charities.

Consultations: CTG will respond to planned consultations on **employer-provided living accommodation** and the **future of the Community Infrastructure Levy**, to highlight the value of existing tax exemptions to charities. CTG will also use a forthcoming review of the usage of **Apprenticeship Levy** funds to reiterate the case for an extension to volunteer expenses.

Gift Aid: As part of HMRC's Charity Tax Forum, CTG will be working to ensure **Gift Aid is fit for the modern age**, considering how best to promote the relief, the implications of GDPR and the future for enduring declarations. CTG has also been tasked by HMRC with co-ordinating a sector-led review of the **donor benefits guidance**, including clarification on the "in consequence" rule and valuation of benefits.

VAT reform: CTG continues to monitor Brexit developments and the opportunities and threats this could present for charities, particularly in respect of VAT reform. The OTS has recommended that HM Treasury and HMRC should undertake a **comprehensive review of the reduced rate, zero rate and exemption schedules** and CTG will continue to contribute to this process, with a particular focus on future-proofing reliefs so that they can keep up with technological changes and innovation.

"CTG has provided an excellent resource to us during the year. In addition to the useful regular e-mails, we attended the CTG Tax update in Cardiff, and the Gift Aid practical issues working group in London: both the networking beforehand and the sessions themselves, including HMRC's personalised feedback for our website, were invaluable."

Hannah Greenfield,
CLIC Sargent

"In such uncertain times the role of the CTG in providing a voice for charities is more vital than ever. I have enjoyed collaborating with them and have gained insights and learning from those collaborations."

Dermot Rafferty,
EY



The Charity Tax Group (CTG) is dedicated to improving the tax position of charities and campaigns on the key issues affecting the sector.

Support CTG

Charities are asked to make a donation each year to contribute towards the costs of our work on behalf of the sector. Please give as much as you can to help us achieve a fairer, simplified tax deal for all charities. Professional members pay a fixed subscription dependent on size and location.

For more information about CTG membership, please contact us on **020 7222 1265** or at **info@charitytaxgroup.org.uk**

Alternatively, visit the website **www.charitytaxgroup.org.uk**

Or follow us on Twitter
@CharityTaxGroup

Making tax simpler for charities

Representation: CTG is unique in selecting its Management Committee from tax experts working for charities, ensuring a breadth of technical and practical experience. CTG continues to be well represented in HMRC's Charity Tax Forum and its technical subgroups and has regular discussions with Ministers and officials responsible for charity taxation.

Information and advice: CTG's website, with the integrated Charity Tax Map, is the premier resource for information on charity taxation, including information and commentary on legislation, policy changes, guidance, consultations and case law. CTG's free helpline signposts charities to relevant guidance and identifies emerging tax issues affecting charities that inform our representations to Government.

Newsletters: CTG's regular newsletters on charity tax developments ensure that members are up-to-date on the issues and lobbying work that CTG is undertaking on their behalf.

Events:

- **Annual Tax Conference:** The Conference is always addressed by high-profile speakers, including for the last seven years the Minister with responsibility for charity taxation.
- **Working groups:** CTG organises sector-wide technical and practical working groups on topical direct and indirect tax issues. These groups are crucial in shaping CTG's campaign strategy and consultation responses.
- **Topical seminars:** CTG provides regular update meetings for members, on a range of issues, often with participation from HMRC and the Treasury.
- **Regional meetings:** CTG regularly holds charity tax update sessions across the UK, most recently in Cardiff, Manchester, Leeds and Birmingham.