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**Date** 26 April 2016  
**Our ref** FOI 1653/16  
**Your ref**

**Web** www.gov.uk

Dear Mr Mitchell

### Freedom of Information Act 2000 (FOIA)

Thank you for your request, which was received on 6 April 2016, for the following information:

*I understand that charities have to submit a governing document to HMRC in order to be registered.*

*Can you please advise*

- 1. Do all UK charities have to register? If not, please advise under what circumstances they do not need to register.*
- 2. For charities registered with HMRC, are they required to advise HMRC (or the charities commission) if they make any changes to their governing document after they have been registered? If yes, please advise in what timescale. If no, please advise why not.*
- 3. Under what circumstances (other than closure of the charity) does HMRC deregister charities?*
- 4. Does HMRC ever investigate charities if provided with evidence from a member of the general public that a charity is not acting in accordance with its governing document (or for any other reason) ?*
- 5. Does HMRC have a view whether charities whose funds increase year on year through donations, bank interest etc., with minimal expenditure, can be viewed as not performing a charitable function and should therefore be deregistered?*

My response to your request is set out below. This response is particular to HMRC only and so my answer at number 2 does not reflect the views of The Charity Commission.

1. A charity must register with HMRC in order to claim exemptions and reliefs from UK direct and indirect taxes, or to notify chargeability to UK direct taxes and indirect taxes if no exemptions and reliefs are being claimed.

2. Yes. HMRC must be notified as soon as possible if a charity changes its name, its trustees or managers, or its bank account details. HMRC must also be notified as soon as possible if other changes to the governing document might cause the body not to be entitled to claim exemptions and reliefs from UK direct and indirect taxes.
3. No other circumstances apply.
4. Yes.
5. Charities may claim exemption from tax on most forms of income and capital gains, if they're applied to charitable purposes. Once a body has been accepted as being a charity for tax purposes, it retains that status until such time as it ceases to exist either in its original form or altogether.

More information on charities and taxation can be found on GOV.UK by following this link:

<https://www.gov.uk/government/publications/charities-detailed-guidance-notes>

If you are not happy with this reply you may request a review by writing to HMRC FOI Team, Room 1C/23, 100 Parliament Street London SW1A 2BQ or email [foi.review@hmrc.gsi.gov.uk](mailto:foi.review@hmrc.gsi.gov.uk). You must request a review within 2 months of the date of this letter. It would assist our review if you set out which aspects of the reply concern you and why you are dissatisfied.

If you are not content with the outcome of an internal review, you may apply directly to the Information Commissioner (ICO) for a decision. The ICO will not usually consider a case unless you have exhausted the internal review procedure provided by HMRC. He can be contacted at The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or by their website at [www.ico.org.uk](http://www.ico.org.uk).

Yours sincerely

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To find out what you can expect from us and what we expect from you go to [www.gov.uk/hmrc/your-charter](http://www.gov.uk/hmrc/your-charter) and have a look at 'Your Charter'.