

Minutes of the Charity Tax Forum meeting on 21 June 2017

Attendees:

Richard Baldwin	Sport & Recreation Alliance
Paul Bater	Charity Law Association
Richard Bray	Cancer Research
Susan Cattell	Institute of Chartered Accountants in Scotland
Ian Clark	Charity Representative
Keiran Goddard	Association of Charitable Foundations
John Hemming	Wellcome
Trevor James	Association of Church Accountants and Treasurers
Chris Lane	Charity Tax Group
Andrew O'Brien	Charity Finance Group
Stephanie Siddall	Institute of Fundraising
Philip Spedding	London Library
David Warrellow	National Trust
Paul Winyard	National Council for Voluntary Organisations
Rachel Nixon	HMRC (Chair)
Adrian Coates	HMRC
Anthony Bottone	HMRC
Daniel Pease	HM Treasury
Phil Sears	HMRC
Tom Parsons	HMRC
Christina Kalinina	HMRC
Nicola Brassington	HMRC

1. Introduction and apologies

The Chair welcomed the Forum and noted apologies for absence. There were no open actions.

HMT provided an update on the ministerial changes following the General Election. Exact responsibilities were not currently known, but when announced would be published online.

UPDATE: It has since been announced that the Exchequer Secretary to the Treasury, Andrew Jones MP, will be the HM Treasury minister responsible for charities, the voluntary sector and Gift Aid. Full ministerial portfolios are published on www.gov.uk.

The Chair reported this was her last meeting and that Jo Gibson would be the new Chair henceforth.

2. Call for Evidence

HMRC provided an overview of the recently launched Call for Evidence on the Taxation of Employee Expenses, detailing what the Government was seeking to

understand about this policy area and why. The Forum was encouraged to submit views on any of the 17 questions posed, and/or attend one of a number of stakeholder meetings scheduled between now and July. The Call for Evidence would close on 10 July 2017.

HMRC confirmed that responses were sought and welcomed from the voluntary sector, who have specific views and interests in the rules.

3. Gift Aid Donor Benefits

HMRC gave an update on the review of donor benefits: a full analysis of the responses was ongoing; and next steps would be considered by ministers.

4. Cumulated effects of tax policy

HMRC gave an overview of its work on the cumulative effects of tax policy on charities, which would include the setting up of a working group in autumn 2017. Forum members put forward views on areas the working group should look at including Making Tax Digital (MTD), VAT reliefs, IT/business costs and administrative burdens; and called for clarification on outputs. HMRC would take this forward and come back to the Forum in due course.

5. Gift Aid Review

HMRC announced that independent research would soon be published on Gift Aid, and in particular donors' understanding of the rules, as well as the amount of Gift Aid which is claimed where it shouldn't be, and is not claimed where it could be. HMRC will follow this publication up with a working group to explore potential ways to improve the Gift Aid scheme and the Forum was asked for views on the topics and participants to be included in the review.

6. AOB

The Forum requested the following topics be included as future agenda items: MTD and how information on penalties was communicated alongside technical notices. The following questions were raised and answered:

- a. There were various issues with the IT around the Common Reporting Standard (CRS), as well as continued questions about the value of the charity sector being required to submit returns. HMRC apologised for the known IT problems and reported it had worked hard to fix them. Feedback would be passed to the Exchange of Information team responsible for CRS to take forward.

UPDATE: HMRC is aware that some financial institutions are issuing self-certification forms to charities, as account holders, which would be difficult for the non-expert to understand. HMRC raised this with a working group representing the financial sector and has asked the sector to provide links to the HMRC guidance and simplified forms. Furthermore, HMRC is investigating whether more guidance could be provided for account holders, in

addition to the existing plain-English '[Quick Guide](#)', and with an explanation of the technical terms brought together in one place.

Some published guidance for charities is in the [plain-English guidance](#) on [gov.uk](#) (particularly for smaller charities), and this then links through to the more [detailed guidance](#) aimed specifically at charities in the main HMRC manual. This was produced and refined through consultation with charities and their representative bodies, over the last year or so.

The Association of Charitable Foundations (ACF) has published its own self-certification form, which is available at [ACF](#).

- b. It was asked when the Museums & Galleries Tax Relief measure would be taken forward. An update would follow as soon as possible.
- c. It was asked whether the consultation on employer provided living accommodation would still go ahead. An update would follow as soon as it was known.

7. Date of next meeting

The next meeting would be held on **9 October** at 2 pm at HMRC, 100 Parliament Street, London SW1.

HMRC
14 July 2017