STATUTORY INSTRUMENTS

2014 No. 584

INCOME TAX

The Charitable Deductions (Approved Schemes) (Amendment) Regulations 2014

Made - - - -	*12th March 2014*
Laid before the House of Commons - - - -	*13th March 2014*
Coming into force - -	*6th April 2014*

The Treasury, in exercise of the powers conferred by section 715 of the Income Tax (Earnings and Pensions) Act 2003(**1**), makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Charitable Deductions (Approved Schemes) (Amendment) Regulations 2014 and come into force on 6th April 2014.

Amendments to the Charitable Deductions (Approved Schemes) Regulations 1986

2. The Charitable Deductions (Approved Schemes) Regulations 1986(**2**) are amended as follows.

3. In regulation 2 (interpretation) omit the definition of "supplement".

4. In regulation 3(ja), for "within a period which does not exceed the period" substitute "before the expiry of the relevant period relating to such sums".

5. For regulation 4A substitute—

> "**4A.**—(1) An approved agency shall, notwithstanding anything in the provisions of an approved scheme or in a contract entered into with the employer to give effect to an approved scheme, pay to the charities specified by the employees the sums paid to it by the employer pursuant to the scheme before the expiry of the relevant period in relation to such sums.
>
> (2) The relevant period in relation to a sum referred to in paragraph (1), subject to paragraphs (3) and (4), is—

(**1**) 2003 c.1; section 715 was amended by paragraphs 102(1), 103(2) (a) and 118 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11), and S.I 2005/1126, S.I. 2009/56, S.I. 2009/3054.
(**2**) S.I. 1986/2211; relevant amending instruments are S.I. 2000/759, S.I. 2000/2083 and S.I. 2003/1745.

(a) the period of 35 days beginning on the day when the approved agency receives the sum described in paragraph (1) provided the approved agency is notified (on or before that day) of the identity of—

(i) the employee from whose emoluments the sum was withheld, and

(ii) the charity or charities specified by that employee;

(b) in any other case, the period of 60 days beginning on the day on which the approved agency receives—

(i) the sum described in paragraph (1) or, if later,

(ii) notification of the identity of the charity or charities specified by the employee from whose emoluments the sum was withheld.

(3) The receipt by an approved agency of a voucher provided to an employee by which payment may be made to a charity pursuant to an approved scheme shall be treated as a notification of the identity of a charity for the purposes of paragraph (2).

(4) Where—

(a) the relevant period in paragraph (2) (a) applies in relation to a sum, and

(b) the approved agency has made no payment pursuant to a scheme to the charity specified in relation to the sum within the 12 months period ending immediately before the receipt of that sum,

the approved agency may treat the relevant period specified by that paragraph as the period of 60 days beginning on the day when the sum is received.".

6. For regulation 9(3), substitute—

"(3) An approved agency must inform the Board(**3**) in writing of its failure to make payment to a charity in accordance with regulation 4A no later than 7 days after the expiry of the relevant period applicable in relation to the sum concerned stating the amount of the sum and the reasons for failure to comply with that regulation.".

7. In regulation 11(1)—

(a) insert "and" immediately before sub-paragraph (c);

(b) omit sub-paragraph (d) and the "and" immediately before it.

Anne Milton
Mark Lancaster
Two of the Lords Commissioners of Her Majesty's Treasury

12th March 2014

(**3**) The expression the "Board" refers to the Commissioners for Her Majesty's Revenue and Customs in accordance with section 50(1) of the Commissioners for Revenue and Customs Act 2005 (c.11).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 6th April 2014, amend the Charitable Deductions (Approved Schemes) Regulations 1986 (S.I. 1986/2211) ("the principal Regulations").

Regulation 3(ja) of the principal Regulations is amended in consequence of the substitution of regulation 4A of those Regulations.

The substituted Regulation 4A of the principal Regulations provides that an approved agency must pay to the charity specified by an employee the sum withheld from the employee's emoluments pursuant to the payroll giving scheme within 35 days of the agency's receipt of it provided the agency is notified as described in regulation 4A (2) (a) (i) and (ii) on or before the day of receipt. In other cases, payment must be made within 60 days of the receipt by the agency of the sum withheld from the employee's emoluments or, if later the notification of the identity of the charity specified by the employee. The 35-day rule is further qualified where an agency has made no payment to the charity specified in the 12 months immediately preceding the receipt of the sum. To accommodate practical problems arising where an agency has made no payment to the charity specified in the 12 months immediately preceding receipt of a donation, an approved agency may extend the 35-day period to 60 days.

Regulation 9(3) of the principal Regulations is substituted so that an approved agency's failure to make payment before the expiry of the relevant time in regulation 4A must be reported no later than 7 days after the expiry of that time.

Consequential amendments are made to regulations 2 and 11 of the principal Regulations in the light of section 91 of the Finance Act 2011 (c.11) which repealed (with effect from 19th July 2011) section 38 of the Finance Act 2000 (which provided for a supplement to be paid to charities on donations made under payroll giving schemes).

A Tax Information and Impact Note covering this instrument has been published on the HMRC website at http://www.hmrc.gov.uk/thelibrary/tiins.htm.