

Jersey: Benefits of Registration for Charities

Last reviewed: February 2024

The Charities (Jersey) Law 2014 (the **Charities Law**) permits a charity to register with the Jersey Charity Commissioner. This guide sets out certain pros and cons of doing so.

Tax

The registration of a charity on the register is voluntary but without such registration, the charity cannot avail itself of some of the tax advantages available for charities locally. Those tax advantages are as follows:

Income tax

There is a statutory exemption from liability to income tax on income derived from the property of a charity registered under the Charities Law under Article 115(a) of the Income Tax (Jersey) Law 1961. Note that the exemptions from income tax applicable to charitable trusts or foundations established before 1 January 2019 were grandfathered and continue to apply even if the trust or foundation did not register under the Charities Law provided that it does not solicit donations from the public.

Lump sum donation and deed of covenant schemes

In the context of donations to charities, lump sum donation and deed of covenant schemes operate to provide a 25% increase in the value of qualifying donations made by Jersey resident taxpayers.

GST

Under the Goods and Services Tax (Jersey) Law 2007, the supply of any service or goods by a charity is exempt. Furthermore, a charity will be refunded the GST chargeable on any supplies to it of goods or services and on the importation of goods by it, provided the goods or services are used in the course of the charitable activities of the charity and certain record keeping conditions are met.

Stamp Duty

There are certain concessions available to registered charities in relation to transactions in land in Jersey.

Being able to refer to the entity as a 'charity'

Unless registered as a charity, an entity may not call itself or be held out as being a 'charity'. There are offences for individuals and entities in this connection.

Offences by individuals

Any individual who refers to an entity that is not a registered charity as being registered, when the individual knows, suspects or has reasonable grounds to suspect that the entity is not registered and intends to cause another person to be misled as to the nature of the entity or to give any property or financial or other advantage to the entity will have committed an offence.

Offences by entities

An entity which refers to itself as being so registered when it is not, or causes or permits another person to so refer to it or refers to itself as a 'charity' will also commit an offence. The exception to this is where the entity is an excepted foreign charity under the Charities Law.

Excepted foreign charities

To be an excepted foreign charity the entity must be:

- established under the law of the UK or of a jurisdiction that is prescribed by delegated legislation;
- entitled under the law of that jurisdiction to refer to itself as a 'charity' (or foreign language equivalent term); and
- managed wholly or mainly from the jurisdiction under the law of which it is established.

At the time of writing, no delegated legislation approving other jurisdictions has been made so only charities entitled to refer to themselves as such, which are managed wholly or mainly in England, Scotland, Wales or Northern Ireland, may seek to use this exemption in connection with their activities in Jersey.

Publicity

A practical benefit of the register (which can be found on the website of the Commissioner at www.charitycommissioner.je) is that it contains key information about each charity. It serves as a useful reference point for members of the public who are thinking of making charitable gifts during their lifetime or leaving bequests to charity by will. More information is publicly available on the general section of the register than on the restricted section.

General section

The register is publicly accessible without charge and states, with respect to a general section registered charity, amongst other things:

1. its name;
2. its status (e.g. trust, foundation, company etc);
3. its purpose statement;
4. its public benefit statement;
5. its governors' names and addresses;
6. certain financial information;
7. whether an annual return has been filed; and
8. whether any required steps notices have been issued to the charity or any of its governors and the date of the notice.

Although not publicly accessible, the charity also needs to submit a copy of its constitutional document, for example, the instrument of trust by which it is established in the case of a trust, its memorandum and articles of association in the case of a company, its charter and regulations in the case of a foundation, or other documents depending on the entity type.

Restricted section

For restricted section charities, being those charities which do not solicit donations from the public, a registered number appears in place of the name of the charity and the names and addresses of the governors and financial information is filed but not publicly accessible. The other information at 2, 3, 4, 7 and 8 above is publicly accessible.

Miscellaneous

Costs of registration

There is no charge to be registered as a charity or any annual charge for remaining on the register, but there is a time commitment in preparing and filing returns in compliance with the Charities Law.

Governors

These are persons who manage or administer entities that become, or seek to become, registered charities. Just as the entities which can register under the Charities Law come in many different forms, the governors may cover anyone who is a trustee, a member of a council of a foundation, a director of a company or anyone who has, under an entity's constitution, general control and management of its administration. Paid employees who have no control or management role under the constitution of the entity are not governors.

All governors have to make an annual declaration that there are no reportable matters, including, where relevant, that a person that has engaged in misconduct as a governor, is subject to a disqualification order as governor or is disqualified from acting as a charity trustee or company director in any jurisdiction or is bankrupt.

The duties owed by governors are referred to in our guide 'Jersey: the Charities and NPO Laws'.

For details on the reporting obligations for registered charities of core financial information and governor and connected person payments see our separate guide 'Jersey: Reporting by Registered Charities'.

The Non-Profit Organizations (Jersey) Law 2008 (the NPO Law)

An organization (which term includes a trust with a Jersey resident trustee) is a non-profit organization (NPO) for the purposes of the NPO Law if it is established solely or primarily for charitable, religious, cultural, educational, social, or fraternal purposes with the intention of benefiting the public or a section of the public and it raises or disburses funds in pursuance of those purposes. Since 1 January 2023, NPOs which are established or administered in or from Jersey have had to register with the Jersey Financial Services Commission under the NPO Law.

Any charity registered under the Charities Law will be an NPO and, as a result, have to register with the Commission.

Fuller details of the NPO Law are set out in our guide 'Jersey: the Charities and NPO Laws'.

Contacts

A full list of contacts in our International Trusts & Private Client team who specialise in this area can be found [here](#).