



HM Revenue
& Customs

Status for tax purposes of certain bodies

Who is likely to be affected?

The Commonwealth War Graves Commission (CWGC) and the Imperial War Graves Endowment Fund Trustees.

General description of the measure

This measure will treat CWGC and the Imperial War Graves Endowment Fund (which provides investment income for CWGC) as charities for tax purposes.

Policy objective

This measure ensures that the CWGC and Imperial War Graves Endowment Fund Trustees can continue to claim charity tax reliefs that are administered by HM Revenue & Customs (HMRC). This is a technical amendment to the legislation to formalise the position and, in practice, does not deliver a change in historical treatment.

Background to the measure

The CWGC is responsible for the commemoration and maintenance of the graves of Commonwealth forces who died in the First and Second World Wars. The Commission was established by Royal Charter in 1917 and was set up as a “not for profit” organisation. It operates in 154 countries around the world. The Commission is funded by its 6 member governments – the UK, Canada, South Africa, New Zealand, Australia and India. High Commissioners for those countries are appointed by the member countries to sit on the Commission. The UK Secretary of State for Defence is Chairman.

The CWGC has a separate Endowment Fund (The Imperial War Graves Endowment Fund) which was created by Act of Parliament in 1926.

When the CWGC was created it did not register as a charity but it was entitled to charitable exemptions from tax until the law was changed in 2010.

This amendment is necessary to continue CWGC’s entitlement to claim charity tax reliefs.

Detailed proposal

Operative date

The measure will have effect from the date of Royal Assent to Finance Bill 2015.

Current law

Part 1 of Schedule 6 to Finance Act (FA) 2010 provides the definition of a charity for tax purposes in paragraph 1.

Proposed revisions

Legislation will be introduced in Finance Bill 2015 to provide that where Part 1 of Schedule 6 to FA 2010 applies “charity” includes both CWGC and the Imperial War Graves Endowment Fund Trustees.

Summary of impacts

Exchequer impact (£m)	2015-16	2016-17	2017-18	2018-19	2019-20
	nil	nil	nil	nil	nil
	This measure is not expected to have an Exchequer impact.				
Economic impact	This measure is not expected to have any significant economic impacts.				
Impact on individuals, households and families	<p>Individuals who give money to the CWGC would see no change in treatment of their donations.</p> <p>The measure is not expected to impact on individuals, households and families</p>				
Equalities impacts	This measure is not expected to have any impact on protected groups.				
Impact on business including civil society organisations	<p>This measure is expected to have no impact on businesses or civil society organisations.</p> <p>This measure is a technical amendment to the legislation to formalise the position of two connected bodies.</p>				
Operational impact (£m) (HMRC or other)	It is not anticipated that implementing this change will incur any additional costs for HMRC.				
Other impacts	Other impacts have been considered and none have been identified.				

Monitoring and evaluation

This measure will be kept under review through communication with affected groups.

Further advice

If you have any questions about this change, please contact Sue Pennicott on 03000 585160 (email: sue.pennicott@hmrc.gsi.gov.uk).