



Isle of Man

Ellan Vannin

AT 27 of 1986

CHARITIES ACT 1986



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CHARITIES ACT 1986

<i>Received Royal Assent:</i>	<i>2 July 1986</i>
<i>Passed:</i>	<i>16 July 1986</i>
<i>Commenced:</i>	<i>See section 6</i>

AN ACT to make new provision with respect to small charities; to amend the *Public Charities Act 1922*; and to repeal with savings certain enactments relating to specific charities.

GENERAL NOTE: The maximum fines in this Act are as increased by the *Criminal Justice (Penalties, Etc.) Act 1993* s 1.

Provisions as to small charities

1 Power for small charity to spend capital

[P1985/20/4]

- (1) This section applies to any charity in respect of which —
 - (a) the endowment is of a value of £100,000 or less and does not include any land; and¹
 - (b) the gross income in the last preceding accounting year was £10,000 or less.^{2 3}
- (2) Where the trustees of a charity to which this section applies are satisfied that the property of the charity is too small, in relation to its objects, for any useful purpose to be achieved by the expenditure of income alone, the trustees may resolve that the charity ought to be freed from any restrictions imposed by law with respect to the expenditure of capital.
- (3) A resolution under this section may not be passed without the prior consent in writing of the Attorney General, and shall be in such form as he may direct.
- (4) Where the trustees of a charity have passed a resolution under this section, they may expend any property of the charity without regard to any restriction imposed by law and applying to the expenditure of capital and

not to the expenditure of income.

2 Transfer of charity endowment to another charity

[P1985/20/3]

- (1) This section applies to any charity in respect of which —
 - (a) the endowment does not include any land; and
 - (b) the gross income in the last preceding accounting year was £10,000 or less.^{4 5}
- (2) Where the trustees of a charity to which this section applies (“the transferor charity”) are satisfied that the objects of another charity (“the transferee charity”) are not so different from those of the transferor charity that the proposed transfer would constitute an unjustifiable departure from the intentions of the donor or frustrate the spirit of the gift, they may resolve that the whole of the property of the transferor charity be transferred to the trustees of the transferee charity to be held and applied by, and as property of, the transferee charity.⁶
- (3) A resolution under this section —
 - (a) may not be passed without the prior consent in writing of the Attorney General and of the trustees of the transferee charity; and
 - (b) shall be in such form as the Attorney General may direct.
- (4) Where the trustees of a charity have passed a resolution under this section they may transfer the whole property of the charity to the transferee charity to be held on the following terms —
 - (a) all property which fell to be treated as income or capital of the transferor charity shall be treated as income or capital respectively of the transferee charity; and
 - (b) the whole property shall be held and applied for the objects of the transferee charity.

3 Provisions supplemental to ss 1 and 2

- (1) Before giving his consent to a resolution under section 1 or 2, the Attorney General may cause such public notice of the proposed resolution to be given as he thinks fit.
- (2) Within one month after passing a resolution under section 1 or 2, the trustees shall send a copy thereof to —
 - (a) the Attorney General;
 - (b) [Repealed]⁷

- (3) If the trustees of a charity fail to comply with subsection (2), they shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.⁸
- (4) The copy of a resolution under section 1 or 2 which is sent to the Attorney General under subsection (2)(a) shall be filed with the accounts of the charity filed under section 27 of the *Charities Registration and Regulation Act 2019*.⁹
- (5) The Attorney General may by order amend section 1(1)(a) or (b) or section 2(1)(b) by substituting different amounts for the amounts specified therein (or the amounts for the time being substituted therefor by a previous order under this subsection), but no order under this subsection shall have effect unless it is approved by Tynwald.¹⁰
- (6) In sections 1 and 2, “charity” has the meaning given by section 4 of the *Charities Registration and Regulation Act 2019*.¹¹

Miscellaneous and supplemental

4 [Repealed]¹²

5 Repeal of charity Acts

- (1) [Repealed]¹³
- (2) Where immediately before the passing of this Act any charitable trust established or regulated by any provision of an enactment repealed by this section was subsisting and capable of taking effect, that provision, so far as it then had effect as an instrument establishing or regulating the trust, shall continue to have effect as such, and may be varied or revoked by the High Court in the exercise of any of its powers under the *Charities Act 1962* or of its inherent jurisdiction relating to charities.
- (3) The repeal by this section of any enactment does not affect the incorporation of any body of persons effected by the enactment.

6 Short title and commencement

- (1) This Act may be cited as the Charities Act 1986.
- (2) Section 4 shall come into operation on such day as the Clerk of the Rolls may by order appoint.¹⁴

SCHEDULE¹⁵

ENDNOTES

Table of Endnote References

- ¹ Para (a) amended by Audit Act 2006 Sch 1 and by SD2021/0129.
- ² Para (b) amended by Audit Act 2006 Sch 1 and by SD2021/0129.
- ³ Subs (1) amended by Charities Registration and Regulation Act 2019 s 61.
- ⁴ Para (b) amended by Audit Act 2006 Sch 1 and by SD2021/0129.
- ⁵ Subs (1) amended by Charities Registration and Regulation Act 2019 s 61.
- ⁶ Subs (2) amended by Charities Registration and Regulation Act 2019 s 61.
- ⁷ Para (b) repealed by Charities Registration and Regulation Act 2019 s 61.
- ⁸ Subs (3) amended by Charities Registration and Regulation Act 2019 s 61.
- ⁹ Subs (4) amended by Charities Registration Act 1989 s 17, by Central Registry Act 2018 Sch, by Charities Registration and Regulation Act 2019 s 61 and by Statute Law Revision Act 2021 s 6.
- ¹⁰ Subs (5) amended by GC55/88 and by Charities Registration and Regulation Act 2019 s 61.
- ¹¹ Subs (6) substituted by Charities Registration and Regulation Act 2019 s 61.
- ¹² S 4 repealed by Charities Registration Act 1989 Sch.
- ¹³ Subs (1) repealed by Statute Law Revision Act 1992 Sch 2.
- ¹⁴ ADO (s 4) 1/5/1987 (GC84/87).
- ¹⁵ Sch repealed by Statute Law Revision Act 1992 Sch 2.