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(Bristol South - Lab)

**Amendment 63**

Clause 54, page 40, line 25 [Vol I], at end insert—

‘(9) A registered social landlord or housing association shall not be treated as a substantial donor in relation to a charity with which it is connected; and for that purpose—

(a) “registered social landlord or housing association” means a body entered on a register maintained under—

(i) section 1 of the Housing Act 1996,

(ii) section 57 of the Housing (Scotland) Act 2001, or

(iii) Article 14 of the Housing (Northern Ireland) Order 1992, and

(b) a body and a charity are connected if (and only if)—

(i) the one is wholly owned, or subject to control, by the other, or

(ii) both are wholly owned, or subject to control, by the same person.’.

**EXPLANATORY NOTE**

**SUMMARY**

1. This amendment prevents a registered social landlord or housing association connected with a charity becoming a substantial donor to that charity.

**DETAILS**

2. This amendment inserts a new subsection 506B(9) into clause 54 of the Finance Bill.
3. Subsection 506B(9) provides that a registered social landlord or housing association cannot be a substantial donor in relation to a charity it is connected with. Subsection 506B(9)(a) defines the term "registered social landlord or housing association". Subsection 506B(9)(b) sets out the nature of the relationship that will make a registered social landlord or housing association and a charity connected. That connection is based upon the charity owning or controlling the registered social landlord or housing association, or vice versa, or on both bodies being owned or controlled by the same person.

**BACKGROUND NOTE**

4. Clause 54 inserts new sections 506A-506C into the Income and Corporation Taxes Act 1988. It restricts tax relief on certain transactions between a charity and a substantial donor.
5. Section 506B seeks to except commercial transactions that are undertaken as part of the running of the charity, or services provided by a charity to a substantial donor as part of the charitable purposes of the charity. Such transactions are not caught by the new rules.

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6. Representations suggest that the complex structures of registered social landlords and housing associations mean that the exception preventing companies wholly owned by a charity from being a substantial donor in relation to that charity, does not except many common transactions within social housing groups.