Northern Ireland Assembly

Research and Information Service
Bill Paper

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Charities (Amendment) Bill Paper

This Bill Paper has been prepared to inform consideration of the Charities (Amendment) Bill. It provides background to the Bill's introduction and content, including comparison with current law in Great Britain and the Republic of Ireland, and highlights areas for consideration.

Executive Summary

This Bill Paper is intended to support the Northern Ireland Assembly's scrutiny of the Charities (Amendment) Bill, introduced on 15th June 2026. Members will also wish to take account of the Review of Costs Paper (NIAR-158-2026).

Following an Independent Review of Charity Legislation, which reported in 2022, the Bill is intended to progress several of its recommendations, and other issues which have occurred. Many of the provisions relate to the Charity Commission for Northern Ireland (the Commission).

Some sections of the Bill align with the approach taken in England and Wales in introducing a wider range of enforcement tools available to the regulator and confirming that charities based in other jurisdictions will be primarily regulated by their local regulator.

The Bill also introduces enabling provisions to allow future regulations to make significant changes to reporting and accounting requirements, particularly for small charities. Of relevance are the Department's separate plans to introduce regulations to allow charities with an income of under £20 000 and assets of under £100 000 to choose not to register with the Commission.

This Executive Summary highlights a summary of the main scrutiny points arising from the Bill. It should be noted that more specific and additional scrutiny issues are identified in the full paper, which Members may also wish to consider. The paper also includes comparisons with neighbouring jurisdictions.

Cross-cutting issues

There are a number of cross-cutting thematic issues which Members may wish to consider:

- the financial and practical support available to charities and the Commission to ensure the successful implementation of the Bill;
- the adequacy of safeguards in place in relation to the Commission's powers; and

- how the Department will engage with charities and the Commission on forthcoming Regulations

Members will also wish to consider the resource implications of the Bill, which are discussed in the Review of Costs paper (NIAR-158-2026).

Expand the Charity Commission's information-sharing powers

Currently the Commission can disclose information to public bodies or office-holders. Clause 2 of the Bill would introduce a definition of public bodies as '*including bodies discharging functions of a public nature, and/ or regulatory functions as to charities or fund-raising'*. This is primarily to allow information sharing with the Fundraising Regulator.

> Members may wish to consider the Commission's processes in relation to information sharing, and to be kept informed about relevant ongoing legal proceedings.

Give the Charity Commission stronger enforcement powers

Clauses 3-6 of the Bill would give the Commission new powers to:

- issue official warnings;
- direct charities not to take specific actions; and
- remove any trustee, charity trustee, officer, agent, or employee of a charity following an inquiry, even if the individual has already resigned, leading to them to being disqualified from becoming a trustee

> Members may wish to consider relevant safeguards and how new powers will operate in practice, particularly:
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> - the safeguards in place for charities who receive an official warning, and how compliance will be monitored;
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> - clarity on when directions not to take action can be given, and how these orders can be ended; and

- an update from Departmental officials on how the Commission can remove employees.

Amend accounting and reporting requirements

Clauses 7-10 are largely enabling provisions, allowing future regulations to:

- permit for dispensations from the requirement for accruals accounts;
- set content requirements for accounts for small charities;
- introduce template reporting for very small charities; and
- allow the Department to define ‘gross income’

Members may wish to consider:

- the extent of delegated powers, including the reliance on secondary legislation to define key elements of the framework;
- what engagement there will be with the Commission and charities to inform the development of the secondary legislation;
- how proposed thresholds and reporting changes are expected to operate in practice, including potential unintended consequences and perverse incentives for charities to stay below income thresholds;
- the meaning and application of “different classes of charity”, and whether this provides sufficient clarity; and
- the balance between reducing administrative burden and maintaining consistency and transparency in financial reporting.

Repeal section 167 of the Charities Act (Northern Ireland) 2008

Clause 11 would repeal section 167 of the 2008 Act, which has never been commenced and the Independent Review found to be unworkable in its current form. This provision was meant to deal with charities which operate in Northern Ireland, but are established in another jurisdiction.

The Department has advised that repealing section 167 would not stop relevant charities from operating here.

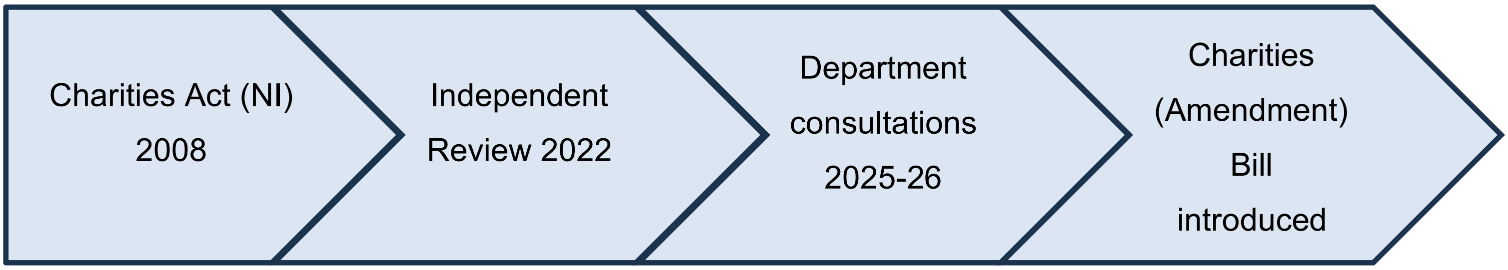
> Members may wish to consider the rationale for repeal, and the implications for organisations operating across jurisdictions.

Contents

1 Background and context

The Charities (Amendment) Bill was introduced by the Communities Minister on 15th June 2026. The Bill passed Second Stage on 23rd June 2026.[1] It follows previous charities legislation, an Independent Review of Charity legislation, and several consultations by the Department for Communities (the Department).

Figure 1: Timeline of key events



1.1 Charities in Northern Ireland

As of August 2026, there are approximately 7000 charities registered in Northern Ireland.[2] At July 2026, there were 152 applications for registration in progress.[3] The register includes nearly 1000 incorporated charities, which have a company number and their own separate legal identity, which can protect trustees from personal liability.[4]

When excluding those charities who have registered, but have not yet been due to submit accounts, as of August 2026, most charities had incomes of below

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[1] Northern Ireland Assembly, Official Report Tuesday 23rd June 2026, Vol. 1896, No. 4, pp. 10-20.

[2] Charity Commission for Northern Ireland, Charity Register (accessed 03/08/2026). This excludes charities listed as 'removed' from the register.

[3] Charity Commission for Northern Ireland, Applications in Progress (July 2026). Some of these charities may have since been registered.

[4] As cited at footnote 2. This excludes charities listed as 'removed' from the register. For further information on incorporated charities, see Charity Commission for NI, Charity Incorporation (accessed 03/09/2026)

£250 000 a year.[5] The thresholds below largely correspond to key reporting thresholds of relevance to the Bill, as discussed later in this Paper:

Table 1: Registered Charities Income Northern Ireland, as recorded on Charity Register 03/08/2026

Annual income	**Number of charities**
£0	393[6]
£1-£20 000	2399
£20 001 – £250 000	2893
£250 001 – 500 000	461
>£500 000	526

1.2 Previous legislation

The Charities Act (Northern Ireland) 2008 ('the 2008 Act') is the most important legislation relating to charity law in Northern Ireland. It was amended in 2013[7] and 2022.[8]

The main elements of the 2008 Act were:

- Definition of 'charity' and 'charitable purpose', including a public benefit test;

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[5] As cited at footnote 2. This excludes charities listed as 'removed' from the register, and those who have a 'registered' status, but who have not yet been due to send accounts. It includes charities who have overdue accounts, and therefore the income figures may not be accurate.

[6] This includes a number of charities who have significantly overdue accounts.

[7] Charities Act (Northern Ireland) 2013. This corrected technical issues with the public benefit test, which had prevented the Commission adding charities to the charity register

[8] Charities Act (Northern Ireland) 2022. This dealt with the outworkings of a legal judgment relating to the powers of Charity Commission staff to make decisions. It also enabled the Department to introduce regulations to introduce a registration threshold, whereby charities that fall below a certain income/ asset threshold would not be required by law to register with the Commission, nor provide an annual report and accounts to it.

- Creation of the Charity Commission (the Commission) and Charity Tribunal;
- Creation of a public charities register;
- Creation of a new form of charitable body, the Charitable Incorporated Organisation (although this has yet to be enacted); and
- Regulation of charities' assets and operations generally.

1.3 Charity Commission for Northern Ireland

The Commission is a non-Departmental Public Body, sponsored by the Department of Communities. It has a range of statutory functions, including, but not limited to:[9]

- Encouraging and facilitating the better administration of charities;
- Identifying and investigating apparent misconduct or mismanagement in the administration of charities and taking remedial or protective action in connection with misconduct or mismanagement therein;
- Establishing and maintaining an accurate and up-to-date register of charities; and
- Giving information or advice, or making proposals, to the Department on matters relating to any of the Commission's functions or meeting any of its objectives.

The Commission has a general power to do anything which is calculated to facilitate, or is conducive or incidental to, the performance of any of its functions or general duties.[10]

It also has specific powers, including, but not limited to:

[9] Charities Act (Northern Ireland) 2008, sec 8.

[10] Charities Act (Northern Ireland) 2008, sec 10. In most cases, this does not include the Commission exercising functions corresponding to those of a charity trustee or otherwise to be directly involved in the administration of a charity.

- Instituting inquiries with regard to charities or a particular charity or class of charities, either generally or for particular purposes;[11]
- Removing trustees, charity trustees, officers, agents or employees of a charity in certain circumstances;[12]
- Issuing directions for the charity trustees, employees or the charity itself to take a particular action;[13] and
- Giving advice to charity trustees in relation to the performance of their duties and the proper administration of the charity.[14]

1.4 Independent Review of Charity Regulation NI

In January 2021, the then-Minister for Communities, Deidre Hargey MLA, commissioned an Independent Review of Charity Regulation in Northern Ireland.[15] The Panel was chaired by Dr Oonagh B. Breen.[16]

It aimed to make recommendations to improve the delivery of services and the operation of the regulatory framework.[17] It was asked specifically to look at section 167 of the 2008 Act, which has not been commenced, but deals with charities based in other jurisdictions.[18]

[11] Charities Act (Northern Ireland) 2008, sec 22.

[12] Charities Act (Northern Ireland) 2008, sec 33.

[13] Charities Act (Northern Ireland) 2008, sec 36.

[14] Charities Act (Northern Ireland) 2008, sec 49.

[15] Department for Communities, Independent Review of Charity Regulation - terms of reference (2021)

[16] Department for Communities, Independent Review of Charity Regulation (2021). Dr Breen is a Professor of Law at the Sutherland School of Law, University College Dublin. The other members of the panel were Rev Dr Lesley Carroll, Prisoner Ombudsman NI, and Noel Lavery, former Permanent Secretary in the NICS

[17] As cited immediately above.

[18] As cited at footnote 15.

The Review held a range of stakeholder engagement meetings, and webinars with charities, legal professionals, funders and accountants.[19] It received 135 responses to its online survey, 72% of which were from organisations.[20]

In January 2022, the Review made 93 recommendations for the Department for Communities (the Department), the Commission,[21] and the charity sector.[22] The majority of these were accepted, accepted in principle or partially accepted by the Department in 2022.[23] However, at that stage, the Department indicated that some of the recommendations of relevance to this Bill, including amending and commencing section 167, changes to reporting requirements, and a statutory warning power, would require further consideration.

The Department has now accepted all but one of the Review's recommendations; it did not accept that all charities continue to be required to register.[24] Instead, separately from this Bill, the Department intends to introduce a registration threshold, below which charities would not have to register of £20 000 income/ £100 000 assets.[25] A number of measures in relation to reporting requirements are intended to align with this income threshold.

The Bill's Explanatory and Financial Memorandum (EFM) outlines that this Bill implements 18 of the Review's recommendations, as well as addressing other issues, such as the Commission's power to share information, that have emerged since the Review was published. In the Second Stage debate, the

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[19] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), Annex B-C.

[20] Department for Communities and Northern Ireland Statistics and Research Agency, Independent Review of Charity Regulation in Northern Ireland: Survey Report, p. 5.

[21] The Charity Commission has indicated that by the end of 2024-25, they have addressed 37 recommendations. The Charity Commission for Northern Ireland, Business Plan 2025-26 (2025), p.9

[22] As citied at footnote 19.

[23] Department for Communities, Independent Review of Charity Regulation – Departmental Response (2022)

[24] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 5

[25] Department for Communities, Response to the Consultation on a Registration Threshold for Charities in Northern Ireland (2025)

Minister advised that 60 of the Review's recommendations have already been separately addressed by either the Department or the Commission.[26]

> **Potential scrutiny point**
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> Members may wish to consider:
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> - How the Department and the Commission have progressed the other recommendations made in the Independent Review; and
> - The Department's rationale for introducing a threshold of £20 000 income/ £100 000 assets for requiring charities to register, as it relates to this Bill.

1.5 Pre-Introduction Consultation

The Department held a short, targeted public consultation, including two online stakeholder events with over 120 participants, from 17 September to 1 October 2025 on the potential amendment and commencement of section 167.[27] The consultation received 36 written responses.[28]

In March 2026, the Department held a further short consultation on the draft Bill more generally, accompanied by a draft EFM.[29] The consultation received 38 responses, 30 of which were from organisations.[30] The consultation report was published in late August 2026.

[26] Northern Ireland Assembly, Official Report Tuesday 23rd June 2026, Vol. 1896, No. 4, p. 18

[27] Department for Communities, Consultation on section 167 of the Charities Act (Northern Ireland) 2008 (2025)

[28] Department for Communities, Section 167 of the Charities Act (Northern Ireland) 2008: Consultation Report (2026) p. 7.

[29] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026)

[30] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 6

The equality screening which was published alongside the consultation outlined that the Department considers that '*disproportionate or negative impacts on any particular Section 75 group have not been identified from the evidence considered'*.[31]

The final EFM outlines that the Department considers the Bill to be *'compatible with the European Convention on Human Rights. Powers affecting individuals or organisations include procedural safeguards (notice, representations, review and appeal mechanisms) and are proportionate to the legitimate aims of protecting charitable assets and public trust'*.[32]

The Rural Needs Assessment for the Bill at consultation identified no rural needs, citing that the Bill would apply equally with regards to charities and their trustees in both urban and rural areas.[33] However, the Rural Community Network (RCN) disagreed with this conclusion, highlighting issues such as the different rural context, the capacity limitations of volunteer-led organisations, and the risk to sustainability of local organisations where compliance demands increase.[34] This view was echoed by the Women's Resource and Development Agency.[35]

The Bill's EFM now outlines that the '*Department recognises the distinct circumstances of rural organisations, many of which are small, volunteer-led and have limited access to administrative capacity and professional support and that governance changes and regulatory interventions can place greater relative demands on volunteer-led groups and may carry heightened reputational risks in close-knit communities. Proportionate reporting and audit changes benefit*

[31] Department for Communities, The Charities Act (Northern Ireland) 2008 (Amendment Bill) 2026: Equality Screening (2025)

[32] Charities (Amendment) Bill, Explanatory and Financial Memorandum, para 15.

[33] Department for Communities, The Charities Act (Northern Ireland) 2008 (Amendment Bill) 2026: Rural Needs Impact Assessment (2025)

[34] Rural Community Network, Response to Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), pp. 4-6

[35] Women's Resource and Development Agency, Response: Consultation on the Bill to Amend the Charities Act (Northern Ireland) 2008 (2026)

small charities, including those serving rural areas, by reducing compliance costs while maintaining necessary assurance'.[36]

The Regulatory Impact Assessment outlined that the preferred option is to bring forward the Bill, as opposed to doing nothing, as it would '*correct known flaws with the 2008 Act, reduce bureaucracy and provide for the added protection of charities in Northern Ireland'*.[37]

1.6 Other jurisdictions

1.6.1 England and Wales

The Charity Commission for England and Wales (CCEW) is an independent, non-ministerial department accountable to Parliament.[38] The Charities Act 2011 provides the main statutory basis for charity law, consolidating earlier legislation. More recent legislation, including the Charities (Protection and Social Investment) Act 2016 and the Charities Act 2022, introduced new powers for the Charity Commission and expanded trustee disqualification rules.

Northern Ireland's charity legislation is generally, but not wholly, based on the legislation in England and Wales. Many of the amendments in the Bill relating to the Commission's powers, and dealing with charities based in other jurisdictions, would largely align with the English and Welsh approach.

1.6.2 Scotland

The Office of the Scottish Charity Regulator (OSCR) is a non-ministerial office which reports directly to the Scottish Parliament. Their functions are set out in The Charities and Trustee Investment (Scotland) Act 2005.

[36] Charities (Amendment) Bill, Explanatory and Financial Memorandum, para 19.

[37] Department for Communities, The Charities Act (Northern Ireland) 2008 (Amendment Bill) 2026: Regulatory Impact Assessment (2025)

[38] House of Commons Library, Charity law and regulation (2025), p.4.

The OSCR is subject to more judicial oversight than the Commission in Northern Ireland, with the Court of Session holding many of the relevant powers.[39]

1.6.3 Republic of Ireland

The Charities Regulator (also known as the Charity Regulatory Authority) is the Republic of Ireland's national statutory regulator for charitable organisations.[40] It was established in 2014 and is an independent authority. Its functions are set out in Charities Act (Ireland) 2009. The Charities (Amendment) Act (Ireland) 2024 amended the 2009 Act, although not all provisions are yet in force.

Like the approach in Scotland, court approval is needed for the Charities Regulator to take many actions.[41]

2 Contents of the Bill

2.1 Overview

The Bill introduces a series of amendments to the Charities Act (Northern Ireland) 2008. Broadly, these can be grouped into four areas;

- Expansion of the Charity Commission's information-sharing powers (Clause 2);
- Strengthening of enforcement powers (Clauses 3–6);
- Changes to accounting and reporting requirements (Clauses 7–10); and
- Repeal of section 167, relating to charities operating across jurisdictions (Clause 11)

Several provisions within the Bill are enabling in nature and provide for detailed implementation through secondary legislation, particularly in relation to

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[39] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 163

[40] Charities Regulator, About Us

[41] As cited at footnote 39, p. 163

accounting and reporting requirements. Members may therefore wish to consider both the policy intent of the Bill and the extent to which key elements are to be set out in future regulations.

2.2 Cross-cutting potential scrutiny points

There are a number of cross-cutting thematic issues which Members may wish to consider:

- the financial and practical support available to charities and the Commission to ensure the successful implementation of the Bill;
- the adequacy of safeguards in place in relation to the Commission's powers; and
- how the Department will engage with charities and the Commission on forthcoming Regulations

Members will also wish to consider the resource implications of the Bill, which are discussed in the Review of Costs paper.

2.3 Clause 1

Clause 1 of the Bill simply outlines that references within it to “the Charities Act” are to the 2008 Act.

2.4 Clause 2: Disclosure

Clause 2 of the Bill would define “public body” as including bodies discharging functions of a public nature, and/ or regulatory functions as to charities or fund-raising’. This is primarily to ensure the Commission can share information with the Fundraising Regulator.

This provision would clarify who the Commission can share information with.

Currently, section 24(1) of the 2008 Act allows the Commission to share information with ‘any public body or office holder’, for any purpose connected with the exercise of the Commission's functions, or for the purpose of enabling or assisting the public body or office-holder to exercise any functions.

Section 24(2)-(4) provides that a Northern Ireland Minister or Department, the Northern Ireland Assembly Commission, any district council, any constable, and any other public authority whose functions are exercisable only or mainly in or as regards Northern Ireland and relate only or mainly to transferred matters, can disclose any information to the Commission for the purpose of enabling or assisting it to exercise any functions.

2.4.1 Background

Although not addressed in the Independent Review Report, the Department has outlined that the current limitation to ‘public bodies or office-holders’ has caused practical issues when working with organisations like the Fundraising Regulator.[42] The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland.[43]

Under the Commission’s Scheme of Delegation, authority to disclose information under section 24 of the 2008 Act is delegated to the Senior Management Team.[44]

[42] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), p.7.

[43] Fundraising Regulator, About Us (accessed 16/06/2026)

[44] Department for Communities, Scheme of Delegation for The Charity Commission for Northern Ireland (2025), p. 5.

The Commission, in its submission to the Independent Review, proposed that consideration be given to the issue of disclosure, [45] in relation to it both being able to disclose and receive information.[46]

Departmental officials, in evidence to the Communities Committee, have suggested that the Commission has processes in place regarding the sharing of information.[47]

Section 24 (5) of the 2008 Act outlines that a power to disclose information is subject to any express restriction imposed by or under any other statutory provision. The EFM refers to '*normal data protection and General Data Protection Regulation considerations*'.[48]

The Charity Tribunal, following a referral from the Commission, found that there was not a definition of office-holder in the 2008 Act, but Members of Parliament, Ministers of the Northern Ireland Executive and local councillors' were office-holders.[49] However, the Tribunal has acknowledged itself that it made an error in law in this Determination, by incorrectly suggesting that sharing of information from and to the Commission was restricted to during Commission inquiries. The Tribunal is unable to omit this error itself, so a judgment is awaited from the High Court to resolve this issue.[50]

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[45] Charity Commission for Northern Ireland, First Submission to Independent Review of Charity Regulation, pp. 41-42.

[46] Currently, any Northern Ireland authority, the Northern Ireland Assembly Commission, district councils, constables, and any other public authority whose functions are exercisable only or mainly in or as regards Northern Ireland and relate only or mainly to transferred matters, can disclose information to the Commission for the purpose of enabling or assisting it to exercise any functions. Charities Act (Northern Ireland) 2008, sec 24.

[47] Committee for Communities NI Assembly, Official Report: Charities (Amendment) Bill: Department for Communities (26/03/2026), p. 7

[48] Charities (Amendment) Bill, Explanatory and Financial Memorandum, paras 15, 18.

[49] CTNI 4/24 - Determination, 20/10/25

[50] Correspondence between RaISe and DfC Officials, 19/05/2026. For further information, see CTNI 4.24 – Application to Appeal to High Court

2.4.2 Departmental Consultation

In their 2026 consultation, the Department had originally proposed replacing the reference to public body or office-holder with one to reflect all persons discharging functions of a public nature. This was supported by 20 of the 27 respondents to this consultation question.[51]

However, the Department has indicated that '*While there was broad support for enabling the Commission to share information where it strengthens regulation and partnership working, respondents (particularly legal bodies and larger charities) expressed strong concerns that the original drafting was too broad, potentially exceeding comparable provision elsewhere and creating uncertainty about scope and safeguards'.*[52] They suggested the wording in the Bill will avoid '*materially widening the Commission's powers beyond what is necessary, addressing concerns about proportionality and clarity'*.

2.4.3 Other jurisdictions

Comparable legislation in England and Wales, Scotland and Ireland also provide for information-sharing between charity regulators and other public authorities, although, like in Northern Ireland, these generally require consideration of other legislation or a body's functions.

The equivalent provisions in the English and Welsh legislation allow CCEW to disclose information to any 'relevant public authority', which is defined as including government departments, local authorities, constables and any other body or person discharging functions of a public nature (including a body or person discharging regulatory functions in relation to any description of activities).[53] The same public authorities can also disclose information to the Commission.

[51] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 7

[52] Correspondence between RaISe and DfC Officials, 26/05/2026

[53] Charities Act 2011, secs 54, 56

In relation to these powers, the CCEW has published operational guidance which sets out its approach to sharing information.[54]

Like the current 2008 Act in Northern Ireland, the Scottish legislation refers to ‘any public body or office-holder’ in their provisions enabling the OSCR to disclose information. [55] The Scottish legislation also specifically enables the OSCR to make disclosures to, and receive disclosures from, designated religious charities, in particular circumstances.[56]

Both the English and Welsh[57] and Scottish[58] legislation specifies that the relevant provisions do not authorise the making of a disclosure which contravenes the data protection legislation, and for England and Wales, the relevant parts of the Investigatory Powers Act 2016.

The Irish legislation permits the Charity Regulator to share information with relevant law enforcement agencies where it suspects that an offence, other than an offence under charity law, has been committed.[59] A separate provision allows the Regulator to provide a relevant person with information that may reasonably be required for the relevant person to perform their functions.[60] Relevant people include the Garda Síochána, the Revenue Commissioners, and any other person charged under any enactment with ensuring compliance with the provisions of any enactment, or the detection, investigation or prosecution of any offence.

[54] Charity Commission for England and Wales, Sharing Information with Other Public Authorities, OG405 (last updated 2023)

[55] Charities and Trustee Investment (Scotland) Act 2005, sec 24.

[56] Charities and Trustee Investment (Scotland) Act 2005, sec 24A

[57] Charities Act 2011, sec 59

[58] Charities and Trustee Investment (Scotland) Act 2005, sec 25.

[59] Charities Act (Ireland) 2009, sec 28. Refers to Garda Síochána, the Revenue Commissioners, the Director of Corporate Enforcement, the Competition Authority, or any other person charged with the detection, investigation or prosecution of offences.

[60] Charities Act (Ireland) 2009, sec 32

The Irish legislation also allows the Garda Síochána, and the Director of Corporate Enforcement to disclose information to the Regulator, if they have information relating to an offence under the Charities Act (Ireland) 2008.[61]

Potential scrutiny points

Members may wish to consider:

- What kind of information the Commission is likely to need to share;
- The Commission's current processes in relation to disclosing information;
- How these provisions interact with existing data protection requirements, including the scope of information that may be disclosed and any associated safeguards;
- Whether the Fundraising Regulator, or other relevant organisations, are able to share relevant information with the Charity Commission; and
- Requesting an update from the Department when the High Court has issued a judgment, following the Charity Tribunal's error of law in relation to the Commission's current powers to disclose information

[61] Charities Act (Ireland) 2009, sec 27

2.5 Clause 3: Official Warnings

> Clause 3 would amend the 2008 Act to empower the Commission to issue official warnings, where it considers that a charity, charity trustee or a trustee for a charity (in that capacity) has committed a breach of trust or duty or other misconduct or mismanagement.

The new section 32A (2) would allow the Commission to issue or publish a warning in any way it considers appropriate.

Subsections (3)-(5) require that prior to issuing a warning, the Commission must give notice of its intention to do so to the charity, and each charity trustee or trustee for the charity, except any who cannot be found or who have no known address. “Trustee for a charity” includes anyone who is legally a trustee of the charity’s property, even if they don’t take part in management. [62] This would include the Official Custodian under section 11 of the 2008 Act (if and when commenced), but also other property-holding or custodian trustees.

The notice may be sent by post and must specify:

- the Commission’s power to give the warning, and the grounds for the warning;
- any action that the Commission considers should be taken, or that the Commission is considering taking, to rectify the relevant misconduct or mismanagement;
- whether and, if so, how the Commission proposes to publish the warning, and;
- a period within which representations may be made to the Commission about the content of the proposed warning.

[62] Correspondence between RaISe and DfC, 19/05/2026

In response to questions at Second Stage and at the Communities Committee, Departmental officials have clarified that post is the legally accepted way to serve notices, but they could be sent digitally in the future if appropriate.[63]

Under subsection (6), the Commission would have to take into account any representations made to it within the period specified in the notice. The Commission can then (without further notice) issue the warning, which can include modifications.

Subsections (7)-(9) would allow the Commission to vary or withdraw a warning under this section. The Commission can publish a variation or withdrawal, with a requirement that a withdrawal of a warning must be published within 28 days, if the warning was published. For a variation of a warning, the same requirements apply in relation to notices as under subsection (3) to (6).

Clause 3(3) of the Bill would amend section 33(1)(a) of the 2008 Act, to allow the Commission to take action to protect a charity after instituting an inquiry, where it is satisfied that there has been a failure to comply with an order or direction of the Commission, or a failure to remedy any breach specified in an official warning. These actions align with existing Commission powers and include, for example, suspending trustees and employees, and appointing additional charity trustees.

The Bill does not include any appeal mechanism in relation to the official warnings. However, the Department has pointed towards the period during which representations can be made to the Commission, and the ability to vary or withdraw notices as safeguards.[64]

Under the 2008 Act, powers to make orders under section 33-37 of the 2008 Act cannot be delegated to staff.[65] This would incorporate the new section.

[63] Committee for Communities NI Assembly, Official Report: Charities (Amendment) Bill: Department for Communities (02/07/2026), p. 4

[64] As cited immediately above, p. 4.

[65] Charities Act (Northern Ireland) 2008, sch 1, para 9A

2.5.1 Background

The Independent Review recommended that the Department consult on the possible introduction of an official warning power and whether it should be treated as a reserve power of the Commissioners or exercisable by Commission staff.[66] It envisaged that this power would fall short of a statutory investigation of a charity.[67] The Review felt it could enable the Commission to escalate its formal disapproval of a charity's behaviour in a situation where the charity trustees or the charity were engaging in mismanagement or misconduct.

61% of respondents to the Panel's online questionnaire supported the Commission having a power to issue a warning when it considers that a breach of duty has occurred without the need to first open a statutory inquiry, including NICVA.[68]

In its submission to the Independent Review, the Commission categorised an official warning power as desirable i.e. that it would be beneficial in improving charity regulation, but was not urgently required.[69] The Commission noted that a warning power was an opportunity to moderate the Commission's response and may avoid the need to use more serious, resource intensive powers. It acknowledged that there was the potential of adding unnecessary bureaucracy and confusion to the Commission's existing processes. It also noted that there may be additional resource implications for the Commission in making and monitoring official warnings (for further information, see the Review of Costs Paper NIAR-158-2026).

The Panel considered that such a warning power could be used both as a compliance tool that falls short of opening a statutory inquiry and a potential

[66] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 162-165, p. 197.

[67] Under the Charities Act (Northern Ireland) 2008, sec 22 the Commission has a power to institute inquiries

[68] Northern Ireland Council for Voluntary Action, Submission to Independent Review of Charity Regulation NI (2021), p. 7.

[69] Charity Commission for Northern Ireland, First Submission to Independent Review of Charity Regulation, (2021) pp.4, 6-8.

sanction after a statutory inquiry. It recommended that the Commission should view any warning power as the final opportunity for a charity to choose to comply and therefore should approach the warning as an enabling tool.

2.5.2 Departmental consultation

The introduction of official warnings was supported by 29 of the 30 respondents to this consultation question, although there was less strong support for reserving the power to Commissioners.[70] However, the Department has indicated that '*feedback supported an official warning power as a proportionate regulatory tool, but strongly emphasised that where warnings are published, there must be prompt action to prevent ongoing reputational damage once a charity has taken remedial steps'*. This led to the proposed requirement under subsection (8) that where a published official warning is subsequently withdrawn, the Commission must publish a withdrawal notice within 28 days.

In their consultation, the Department had also proposed a consequential amendment to disapply the new official warning power from designated religious charities.[71] However, this exception was removed following the consultation, and the Bill would allow the Commission to issue official warnings to designated religious charities.

Several respondents called for clear guidance to be issued on the official warning power, particularly in relation to trigger points and the duration, variation and withdrawal of warnings.[72]

[70] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), pp. 9-11. 16 of 27 respondents who answered this question felt that this power should be reserved to Commissioners.

[71] Religious designation was included in the Charities Act (Northern Ireland) 2008 to take account of the unique structures within some faith-based charities in Northern Ireland which often have supervisory or regulatory arrangements in place to deal with issues that may arise. Charities have to apply to the Commission for Designation. There are currently three designated religious charities in Northern Ireland, the Presbyterian Church, the Methodist Church and the Free Presbyterian Church, along with associated entities i.e. individual churches that are associated with those three Churches. For further information, see the Charity Commission for Northern Ireland, Religious designation for registered charities (2023)

[72] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 10

In their response to the pre-introduction consultation, NICVA was supportive of the Commission being able to issue official warnings, citing the potential of preventing a full investigation and welcoming safeguards such as the requirement to issue prior notice and allowing the opportunity for the charity to respond.[73] However, they did not support the publication of warnings, due to concerns about reputational damage to the individual charity and the wider sector. If warnings are published, NICVA considered that powers to issue warnings should only be held by the Commission, rather than staff.

NICVA also felt that designated religious charities should be treated the same as other charities in relation to official warnings.

The RCN highlighted that official warnings had the potential to undermine confidence in organisations that are vital to community life.[74]

The Commission has welcomed the introduction of an official warning power. It has suggested that this would be '*a proportionate escalation power that can be used in place of a statutory investigation. This can also address current gaps where charities fail to submit accounts or returns and existing powers are limited or disproportionate*'.[75]

However, it has also highlighted resource concerns, and that '*clear guidance on when publication is likely to be appropriate, and how representations will be weighed, will be particularly important to ensure consistent, proportionate and defensible use of the power*'.[76]

[73] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008 (2026) pp. 2-3

[74] Rural Community Network, Response to Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026) p. 4.

[75] Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026: CCNI further considerations, 22/04/26, shared with RaISe, p. 1.

[76] As cited immediately above, p. 2.

2.5.3 Other jurisdictions

This clause would largely be in line with provisions in England and Wales, although their legislation does not include the requirement that a withdrawal of a warning must be published within 28 days.[77]

In England and Wales, the CCEW has used its powers to issue official warnings,[78] and has issued relevant guidance.[79] Between 2017 and 2023, they issued 59 official warnings.[80]

The guidance sets out that the CCEW will issue an official warning where regulatory advice and guidance would not be sufficient to deal with the misconduct and/ or mismanagement, but, for instance, the misconduct and/ or mismanagement is not sufficiently serious to use other powers, such as inquiry.[81]

The guidance also sets out how the CCEW should make a decision on whether to publish a warning, considering issues such as whether doing so would promote public trust and confidence, and whether it would be the most effective way of highlighting a regulatory issue to the wider sector.[82] It states that a warning may not be published where, for example, doing so would cause disproportionate prejudice to the charity and/or its beneficiaries or contravene or prejudice requirements for confidentiality or commercial sensitivity.

[77] Charities Act 2011, sec 75A

[78] For example, Charity Commission for England and Wales, Official Warning to the Liverpool Diocesan Board of Finance (2026)

[79] Charity Commission for England and Wales, Official Warnings by the Commission, OG404 (2019, updated 2026)

[80] Charity Commission for England and Wales, Correspondence: Response to Freedom of Information Request (2024)

[81] At cited at footnote 79, p.6

[82] As cited at footnote 79, p.7

The Scottish[83] and Irish[84] legislation has no provision for official warnings. However, the Irish regulator does have the option of ’intermediate sanctions’,[85] where it considers that a charity has contravened a particular provision, which can include publishing details of the contravention online.[86]

Potential scrutiny points

Members may wish to consider:

- How the Commission is currently dealing with concerns that might be dealt with by an official warning in the future;
- The evidential threshold likely to be needed to issue an official warning;
- What time period is reasonable for representations to be made to the Commission about the proposed official warning, under section 32A (5) (c);
- Whether it is appropriate that there is no specific appeal mechanism to an official warning being issued, given the potential reputational risks to charities if such warnings are published, and the absence of a formal investigatory process;
- How the Commission would monitor compliance with any actions set out in an official warning, particularly in light of concerns raised during consultation regarding potential reputational impacts;

[83] Charities and Trustee Investment (Scotland) Act 2005

[84] Charities Act (Ireland) 2009

[85] Charities Act (Ireland) 2009, sec 73

[86] For example Charities Regulator, Intermediate sanctions imposed on Husky Rescue Ireland (2025)

- Whether there are circumstances in which a warning could be withdrawn where appropriate remedial action has been taken, and how this would operate in practice;
- The rationale for a time limit of 28 days to publish a withdrawal of a warning; and
- Whether the Department considered the use of warning powers in England and Wales, and any lessons which could be learned.

2.6 Clause 4: Power to remove trustees etc. following an inquiry

Clause 4 would amend section 33 of the 2008 Act to ensure that the Commission can remove trustees, officers, agents or employees from a charity, if they resign while they are under investigation. This would result in them being disqualified from becoming a trustee of another charity (see clause 6 below).

It also clarifies the Commission's powers to remove agents of a charity.

Where the Commission has instituted an inquiry, and is satisfied that there is or has been any misconduct or mismanagement in the administration of the charity; and that it is necessary or desirable to act for the purpose of protecting the property of the charity or securing a proper application for the purposes of the charity of that property or of property coming to the charity, they can remove any trustee, charity trustee, officer, agent or employee of the charity who has been responsible for or privy to the misconduct or mismanagement or whose conduct has contributed to or facilitated it.[87]

[87] Charity Act (Northern Ireland) 2008, sec 33 (2)

The proposed section 33 (3A) of the Bill would mean that where the Commission has given notice of its intention to make a removal order of a trustee, officer, agent or employee of a charity, it can proceed to make the order even where a person has ceased to hold the relevant office or employment.

Subsection (3B) clarifies that, for those removed under (3A), existing provisions relating to the powers of the Commission to order the transfer property, and disqualifying them from being a trustee, would still apply to them.

Clause 4 (3) amends section 31(1)(b) of the 2008 Act, which currently allows the Commission to appoint, discharge or remove a charity trustee or trustee for a charity, or remove an officer or employee. The Bill would expand this power to allow the removal of agents of a charity.[88] This would align with the current section 33 (2) of the 2008 Act, which relates to the Commission's power to remove individuals following an inquiry.

There are existing appeal rights in relation to being removed from a charity by the Commission, through the Charity Tribunal.[89] If you are the person removed, there is a time limit of 42 days of the Commission's decision being sent to you.[90]

2.6.1 Background

The Independent Review recommended that the Commission's power to remove trustees be expanded to include trustees who have resigned from office.[91] 65% of respondents agreed the Commission should have this power.[92] The Panel recommended that this power should be reserved to Commissioners.

[88] An agent may be engaged by a charity, but is not employed by them e.g. an agency worker or contractor

[89] Charities Act (Northern Ireland) 2008, sch 3, para 5.

[90] Charity Commission for Northern Ireland, Challenging a decision of the Commission, p. 15

[91] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 191-197.

[92] Department for Communities and Northern Ireland Statistics and Research Agency, Independent Review of Charity Regulation in Northern Ireland: Survey Report, p. 51. 16% disagreed and 19% had no view.

The Commission has opened 19 inquiries since it was established in 2009.[93] This includes those prior to the *McKee* case, in which the Court of Appeal held that certain Charity Commission decisions must be taken by the Commission itself, rather than being delegated to staff, which led to many previous Commission decisions and actions being declared unlawful. [94]

From the available records, it seems there were 11 orders to remove someone from a role under section 33 of the 2008 Act prior to *McKee.* However, on 5 or 6 of these occasions the person resigned before they could be removed, and therefore were not disqualified from becoming a trustee in another charity. There have been no orders to remove a person from a role post-*McKee*. The Charity Commission has never used its power to remove a staff member.[95] Following questions at the Second Stage and in Committee, Departmental officials have indicated that they are engaging with colleagues in England and Wales to consider how this power operates in practice, mindful of employment law.[96] The consultation report indicates that the Department is satisfied that the clause remains an appropriate and proportionate measure to prevent avoidance and support effective regulation.[97]

The Commission has indicated that it would be beneficial to close this loophole, to enable it to safeguard charities from individuals who pose a risk. [98]

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[93] Correspondence between RaISe and the Charity Commission for Northern Ireland, 28/05/2026

[94] [2020] NICA 13. This issue was resolved in the Charities Act (Northern Ireland) 2022. See Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 5.

[95] Committee for Communities NI Assembly, Official Report: Charities (Amendment) Bill: Department for Communities (02/07/2026), p. 5

[96] As cited immediately above, p. 5.

[97] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 14

[98] Charity Commission for Northern Ireland, First Submission to Independent Review of Charity Regulation, (2021) pp. 9-10.

This proposal was supported by 24 of the 28 respondents to this question in the consultation, with many highlighting it would help good governance, accountability and confidence across the sector.[99]

However, NICVA, although generally supportive of the amendment, raised concerns in relation to employees who have acted under duress by a CEO or Officer of the Board.[100] They also argued that those in an advisory role who give improper advice which encourages trustees to engage in misconduct or mismanagement of a charity should be disqualified from acting as a trustee.

2.6.2 Other jurisdictions

This clause would align with England and Wales. The CCEW can remove a person from office or employment even if they resign, if the CCEW has given notice of its intention to make a removal order.[101]

In Scotland[102] and the Republic of Ireland, [103] only the relevant court can remove trustees or staff, upon the application of the relevant regulator. The legislation does not specify how a trustee or employee who resigns during this process will be treated.

Potential scrutiny points

Members may wish to consider:

- Asking Departmental officials for an update on their work to seek more information on how the current powers in the

[99] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 13

[100] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008, (2026), pp. 4-5. These concerns were raised in response to a question on clause 6.

[101] Charities Act 2011, sec 79

[102] Charities and Trustee Investment (Scotland) Act 2005, sec 34. The Court of Session can 'suspend or remove any person concerned in the management or control of the charity or body'.

[103] Charities Act (Ireland) 2009, sec 74

2008 Act to remove employees work in practice alongside employment law.

2.7 Clause 5: Power to direct specified action not taken

Clause 5 would empower the Commission to issue directions to trustees not to undertake certain actions, following the Commission instituting an inquiry.

Currently, under section 36 of the 2008 Act, the Commission can order charities, trustees or relevant individuals to take certain actions. It can do so after it has instituted an inquiry, where it is satisfied that there is or has been any misconduct or mismanagement in the administration of the charity; or that it is necessary or desirable to act for the purpose of protecting the property of the charity or securing a proper application for the purposes of the charity of that property or of property coming to the charity.

Clause 5 (2) would amend the 2008 Act to include a new section 36A. It would apply '*where, at any time after the Commission has instituted an inquiry'* with respect to a charity, if the Commission considers that any action, if taken or continued by the trustee(s), any officer or employee, or the charity itself[104], would constitute misconduct or mismanagement in the administration of the charity.

The language of taking action, '*at any time after the Commission has instituted an inquiry'* reflects language elsewhere in the 2008 Act.[105] However, it does not include a time limit.

The new section 36A (2) would allow the Commission to make an order specifying the action and directing the person not to take it or continue it. Under

[104] If an incorporated charity

[105] For instance, Charities Act (Northern Ireland) 2008, sec 33 (1)

section 36A (3), while an order under this section is in force, the Commission must review it at intervals of not more than 6 months

The remainder of clause 5 makes consequential amendments, mostly to insert the new section 36A into other provisions relating to the Commission's powers. This includes:

- section 10 of the 2008 Act, exempting the new section 36A from the general rule that the Act does not authorise the Commission to exercise the functions of a trustee;
- section 38 of the 2008 Act, requiring that where the Commission directs a charity not to take an action, it must send a copy of the order and a statement of its reasons to the charity;
- section 165 of the 2008 Act, which results in the Commission not being able to direct a designated religious charity not to take an action;[106]
- section 174 of the 2008 Act, which allows that where a person is guilty of disobedience of an order, they may, on the application of the Commission to the High Court, be dealt with as for disobedience to an order of the High Court; and
- schedule 3 of the 2008 Act, allowing any order made under the new section 36A to be appealed to the Charity Tribunal, which could quash the order and (if appropriate) remit the matter to the Commission.

Under the current 2008 Act, the powers under the new section 36A would not be able to be delegated to staff, but would have to be agreed by the Commission.[107]

[106] Currently sections 33 to 36, relating to the Commission's powers, do not apply to designated religious charities. See footnote 71 for more information on designated religious charities.

[107] Charities Act (Northern Ireland) 2008, sch 1, para 9A (2). This outlines that the making of an order under any of sections 33 to 37 cannot be delegated

2.7.1 Background

The Independent Review Panel recommended that a power be granted to the Commission to issue directions to trustees not to undertake certain actions.[108] This was supported by over 70% of respondents to the Panel's online survey, with 10% disagreeing.[109] The Panel considered that this power should be delegated to staff.

The Commission was supportive of such a power in its submission to the Panel, arguing it would enable it to prevent wrongdoing and harm from occurring in charities in the first place, or to prevent further abuse from occurring, protecting charities, their assets and beneficiaries.[110]

The proposed new power was supported by 23 of the 27 respondents who answered this consultation question.[111] The consultation report outlines that respondents saw this as a sensible and preventative measure, but also emphasised that the use of this power should be proportionate, clearly justified and subject to appropriate safeguards, including review and appeal mechanisms.

There were some objections to the exemption of Designated Religious Charities (DRCs) from this power.[112] However, the Department's view is that excluding DRCs is consistent with their exclusion from other relevant Commission powers under section 33 to 36 of the 2008 Act.

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108 Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 191-197.

109 Department for Communities and Northern Ireland Statistics and Research Agency, Independent Review of Charity Regulation in Northern Ireland: Survey Report, p. 51-52.

110 Charity Commission for Northern Ireland, First Submission to Independent Review of Charity Regulation, pp. 10-11.

111 Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 15

112 As cited immediately above, p.16

2.7.2 Other jurisdictions

The proposed amendment would mirror article 84A of the Charities Act 2011 in England and Wales. The explanatory notes of the 2011 Act suggest directions can only be used '*under a statutory inquiry*'.[113]

In Scotland, the OSCR may direct any charity, body or person, in the context of an inquiry, not to undertake specific activities.[114] The direction can last for a maximum of six months.

The Charities Act (Ireland) 2009 does not include an explicit power for the Charity Regulator to give directions not to undertake specific activities.

Potential scrutiny points

Members may wish to consider:

- If the Department or the Commission can give examples of how this power would be used;
- Whether the intention is that such directions can only be issued during the course of an inquiry, and how the timing and duration of these powers are expected to operate in practice;
- Given the requirement to review the order every six months, what the process would be for ending an order not to take an action; and
- Whether officers or agents of the charity should be able to be directed not to take an action. This would go further than the current powers under section 36 of the 2008 Act, which allow the Commission to direct an action be taken.

[113] Charities (Protection and Social Investment) Act 2016, Commentary on provisions of Act, sec 6.

[114] Charities and Trustee Investment (Scotland) Act 2005, sec 28 (3)

2.8 Clause 6: Automatic disqualification for being a trustee

> Clause 6 would amend section 86(1) of the 2008 Act so that if an officer, agent or employee of a charity is removed from their role following an inquiry or by the Court, they are automatically disqualified from being a trustee.

Currently, if a trustee has been removed by an order made by the Commission or the Court, due to misconduct or mismanagement, they are disqualified from becoming a trustee again.

This amendment would extend automatic disqualification to officers, agents and employees of a charity, who are removed by an order. In these circumstances, someone who is disqualified can apply for a waiver from the Commission, to allow them to become a trustee.[115]

As above, there are appeal rights in relation to being removed from a charity by the Commission.[116] This provision only relates to trustee disqualification and would not stop someone taking up, for example, employment in another charity.

The Commission is already required to keep a register of those removed from office, by it or the Court.[117] However, as above, there have been no such removals since the *McKee* case.

2.8.1 Background

This issue was not considered by the Independent Review Panel. In the pre-introduction consultation, the Department argued that the amendment would reduce risk and strengthen public trust.[118]

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[115] Charities Act (Northern Ireland) 2008, sec 86 (4)

[116] Charities Act (Northern Ireland) 2008, sch 3, para 5.

[117] Charities Act (Northern Ireland) 2008, sec 86 (7)

[118] Department for Communities, A Bill to amend the Charities Act (Northern Ireland) 2008: Public Consultation (2008), p. 10.

25 of the 28 respondents to this question were supportive of the Department's proposal in the consultation. [119] The Commission is also supportive of this proposal, although has highlighted that there will likely be an increase in applications for waivers from disqualification.[120] It has noted that the terms "officer" and "agent" are interpreted broadly in Northern Ireland legislation, and that therefore clear statutory or regulatory guidance will be important to ensure proportionate and consistent application of the extended disqualification, particularly where roles involve contractual, advisory, or informal management functions.

Several responses to the consultation also asked for clear definitions of agents.[121] The Department consisted that the term agent has a well-established meaning in law, referring broadly to a person authorised to act on behalf of another, allowing flexibility to accommodate diverse needs across the charity sector.

2.8.2 Other jurisdictions

This provision would largely align with England and Wales. A person removed by the CCEW or the High Court as a trustee, charity trustee, officer, agent or employee of a charity on the ground of any misconduct or mismanagement in the administration of the charity for which they were responsible or knew of and failed to take any reasonable step to oppose, or where their conduct contributed to or facilitated, is disqualified from being a trustee.[122] While a person is disqualified from being a trustee in a charity, they are also disqualified from holding an office or employment in the charity with senior management

[119] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 17

[120] As above, there has been no orders to remove a person from a role since the McKee case in 2020, so therefore no need for a waiver.

[121] As cited at footnote 119, pp. 17-18

[122] Charities Act 2011, sec 178 (1)

functions.[123] The CCEW can waive a person's disqualification, on that person's application.[124]

As above, in Scotland[125] and the Republic of Ireland, [126] it is only the relevant court which can remove trustees or staff, upon the application of the relevant regulator. In Scotland, someone who is disqualified from acting as a charity trustee, is also disqualified from holding an office or employment with senior management functions in the charity, in most circumstances.[127] The OSCR, on the application of a disqualified person, can waive the disqualification generally or in relation to a particular charity or type of charity.[128]

In the Republic of Ireland, a removed trustee is disqualified from being a trustee in the future, but they can apply to the High Court to be allowed to be a trustee.[129] The High Court can allow an application, if it considers that it would be in the public interest and in the best interests of the charitable organisation concerned or charitable organisations of the class concerned.

Potential scrutiny points

Members may wish to consider:

- Asking for clarity as to how the terms officer and agent are interpreted in Northern Irish law;
- The criteria the Commission would use to consider whether to waive disqualification; and

[123] Charities Act 2011, sec 178 (3)

[124] Charities Act 2011, sec 181

[125] Charities and Trustee Investment (Scotland) Act 2005, sec 34.

[126] Charities Act (Ireland) 2009, sec 74

[127] Charities and Trustee Investment (Scotland) Act 2005, sec 69B

[128] Charities and Trustee Investment (Scotland) Act 2005, sec 69 (4).

[129] Charities Act (Ireland) 2009, sec 55

- Whether the Department considered the approach in other jurisdictions, where if someone is disqualified from being a trustee, they are also disqualified from holding an office or employment in a senior management role in a charity.

2.9 Clauses 7,8 and 10: Accounting and Reporting Framework

Clauses 7, 8 and 10 would allow for changes for charity accounting and reporting, with the intention of streamlining accounting and reporting by enabling more flexible regulation proportionate to the size and complexity of charities.[130] Much of the detail is to be set out in regulations.

- Clause 7 allows regulations which would enable variation in accounting requirements for different classes of charity, and empower the Commission to exempt a charity from the requirement to prepare accruals accounts.
- Clause 8 removes the requirement for independent examination of accounts for charities with a gross annual income under £20,000.
- Clause 10 allows the Department to set out the form and content of annual reports and returns for different classes of charities.

Currently, each year, registered charities must fill out an online Annual Monitoring Return (AMR) to the Charity Commission.[131] All charities have to complete basic information, but there are more detailed requirements for charities with annual incomes of over £10 000. There are further requirements for charities with an income of greater than £250 000, who also have to complete accruals accounts. The Commission requires that the charity's accounts, a trustees' annual report, and a report from an independent examiner or auditor (as applicable), are upload along with the AMR.[132]

[130] Charities (Amendment) Bill, Explanatory and Financial Memorandum, p. 2.

[131] Charity Commission for NI, How to complete the Annual Monitoring Return (AMR) – 10 minute guide (2022)

[132] Charity Commission for NI, Charity reporting and accounting: the essentials (2019), pp. 34-37

Depending on the charity's income, the relevant charity accounts may be either receipts and payments, or accrual accounts[133]:

- **Receipts and payments accounts**: This is a form of accounting that consists of a summary of all monies received and paid via the bank and in cash by the charity during its financial year, along with a statement of balances. Currently, unincorporated charities with an annual income of less than £250 000 can choose to prepare a receipts and payment account.
- **Accruals accounts**: Refers to accounts prepared on a 'true and fair' basis in accordance with accounting standards and the methods and principles of the applicable Statement of Recommended Practice (SORP). Unlike receipts and payments accounts, accruals accounts record the income of a particular activity when there is entitlement or probability about income, and expenses, when the liability is incurred. They must contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities, a cashflow statement (if applicable) and explanatory notes to the accounts.

It is important to note that incorporated charities are subject to additional and separate requirements under company law, including to prepare accrual accounts.[134] This Bill would not change any of these duties.

> Clause 7 amends the 2008 Act, to repeal the current provision that allows charities with an annual income of under £250 000 to prepare receipts and payments accounts. Instead, the Department would be able to introduce regulations to set the form and content of charity accounts through regulations, allowing different requirements to be applied to different classes of charity.

[133] Charity Commission for NI, Receipts and payments accounts for smaller charities How to prepare receipts and payments accounts (2019), pp.7-8.

[134] Charity Commission for NI, Accruals Accounts: Preparing Accruals Accounts (2019), pp. 10-11.

It also would allow the Commission to prescribe the form and content of accounts for particular classes of charity, and to dispense with or modify accounting requirements for specific charities or for particular financial years.

The Department has indicated its intention is to:

- introduce a simplified template reporting framework for the smallest charities, with incomes of under £20 000;
- specify the minimum content requirements for the statement of assets and liabilities, including the requirement to provide values for assets and liabilities;
- disapply the content requirements for receipts and payments accounts for charities who are eligible for template reporting; and
- allow charities which have exceptional, one-off income over £250 000 to complete receipts and payments accounts, rather than accruals accounts

Clause 7(2) of the Bill amends section 64 of the 2008 Act, which deals with annual statements of accounts. Clause (7) (a) and (c) removes the current provision allowing charities with a gross income which does not exceed £250 000 to prepare a receipts and payments account and a statement of assets and liabilities, instead of the more onerous accrual accounts.

Clause (7)(b) inserts a new subsection (2A), which enables the Department to make future regulations.

Clause 7(b) would allow for the Department to make regulations allowing different provision in relation to different classes of charity (for example gross income). Regulations may also allow the Commission to make further regulations to specify the form and contents of accounts in relation to particular classes of charity.

Regulations may also enable the Commission to dispense with or modify any requirement in relation to accounts, in the case of a particular charity or a particular class of charities, or in the case of a particular financial year.

The new section 64 (2A) sets out that the regulations may require the Commission to communicate any decision on granting a charity a dispensation or modification on the requirement to prepare accounts within a particular time period.

The remainder of clause 7 makes consequential amendments to the 2008 Act, following on from the removal of the current exception for charities with an income of under £250 000 from preparing accruals accounts. The Department intends that the requirements being removed from primary legislation will be restated in the forthcoming regulations.[135]

Section 179 (4) of the 2008 Act requires that the Department consult such persons or bodies of persons as it considers appropriate before making any regulations under section 64.

> Clause 8 amends section 65 of the 2008 Act to exclude charities with a gross income of £20 000 or less from the requirement to either have their accounts independently examined or audited.

Under section 65 of the 2008 Act, charities with an annual income below £500,000 may opt to have their accounts independently examined, rather than an audit. For charities with an income over £250 000, but less than £500 000, the independent examiner must be a member of one of a list of specific bodies.[136]

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[135] Charities (Amendment) Bill, Explanatory and Financial Memorandum, p. 5.

[136] Charities Act (Northern Ireland) 2008, sec 65

In line with clause 7, this provision would mean very small charities for whom template reporting would apply, would not have to undergo independent examination.

Clause 8 allows the Department to amend the £20 000 threshold by order.

> Clause 10 amends sections 68 and 70 of the 2008 Act to allow the Department to bring forward regulations to make different provision in relation to different classes of charity (for example, by reference to levels of gross income), in relation to requirements for annual reports and returns.
>
> Clause 10 also makes minor amendments, so that references to documents being attached to the annual report, to the annual report being ‘accompanied by’ the documents.

This clause is intended to align with clause 7, in relation to allowing the smallest charities to use template reporting.

Sections 68 and 70 of the 2008 Act require charity trustees to prepare an annual report and return which must include the trustees’ account of the charity’s activities during that year and other information prescribed by regulations made by the Department, for each financial year.

Clause 10 would insert new subsections into sections 68 and 70, allowing the Department to make different provision in relation to different classes of charity (for example, by reference to levels of gross income).

Clause 10 also replaces several instances where the reference is made to documents being ‘attached to’ the annual report, to ‘accompanied by’. The Commission has indicated that this would allow it flexibility, including where documents may be embedded in online forms.[137]

[137] Meeting, RaISe and Charity Commission for NI, May 2026

Section 179 (4) of the 2008 Act requires that the Department consult such persons or bodies of persons as it considers appropriate before making any regulations under section 68.

The regulations under these clauses would be brought under negative resolution.[138] The Department would lay the provisions before the Assembly, and would have legal effect when its 'comes into force' date is reached, unless annulled by a resolution of the Assembly within the statutory period. It is then void from the date of that annulment. The statutory period is 30 days or 10 days on which the Assembly has sat after the date on which the statutory rule was laid, whichever is the longer.

2.9.1 Background

The Independent Review made a range of recommendations in relation to ensuring a proportionate approach is taken to reporting, some of which are being progressed through this Clause. [139] The Department included these proposals in its 2026 consultation.

As above, under company law, incorporated charities must prepare accruals accounts. As of August 2026, there are 987 charities on the Register with a company number. Excluding the 98 who have registered and not yet been due to submit accounts, 209 have incomes below £20 000 and therefore may choose not to register as charities in the future.[140] Nevertheless, if they remain incorporated, they will have to abide by company law.

For most non-incorporated charities, with future regulations, the Department's proposals for amending the reporting requirements are as summarised below. There are some exceptions, such as where a charity's governing documents

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[138] Charities Act (Northern Ireland) 2008, sec.179

[139] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 124-142.

[140] Charity Commission for Northern Ireland, Charity Register (accessed 03/08/2026). This excludes charities listed as 'removed' from the register. Please note it includes those who have overdue accounts, so the actual incomes of charities may be different.

require accruals accounts, or the charity is a housing association or a higher or further education institution.[141]

Table 2: Current and proposed requirements for most non-incorporated charities' reporting

Annual income	**Current minimum reporting requirements**	**Proposed minimum reporting requirements**	**Current number of charities[142]**
£20 000 or less	Receipts and payments, with independent examination, by an independent person	Template reporting, with no examination, for those charities which choose to register	2583
£20 001 – £250 000	Receipts and payments, with independent examination, by an independent person	Receipts and payments in a prescribed format, with independent examination, by an independent person	2471
£250 001- £500 000	Accruals accounts, with independent examination by a person specified in section 65 (5) of the 2008 Act	Accruals accounts, with independent examination by a person specified in section 65 (5) of the 2008 Act. If they are in this bracket due to a year of exceptional income, they will be allowed to	353

[141] Charity Commission for NI, Charity reporting and accounting: the essentials (2019), p. 17.

[142] As cited at footnote 140. This column excludes charities removed from the registration list, those who have registered and not yet due to submit accounts, and incorporated charities. Please note it includes those who have overdue accounts, so the actual incomes of charities may be different.

Annual income	Current minimum reporting requirements	Proposed minimum reporting requirements	Current number of charities[142]
		complete a receipts and payments account.	
>£500 000	Accrual accounts, with audit (potential dispensation from audit)	Accrual accounts, with audit (potential dispensation from audit). The threshold for requiring an audit may rise in the future, separately from this Bill.	377

The Commission raised issues in relation to the resource implications of these provisions, which will be examined in further detail in the Bill's Review of Costs Paper (NIAR-158-2026).

At the Second Stage debate, Members raised the need to ensure guidance to support charities with these changes, particularly smaller charities.[143]

Requirements for small charities

With future regulations under these clauses, the Department intends to introduce a simplified template reporting framework for the smallest charities, to reduce administrative burdens while maintaining transparency.[144] The new framework would have a different form and content of accounts and annual reporting for very small charities, and not be subject to independent examination.

[143] Northern Ireland Assembly, Official Report Tuesday 23rd June 2026, Vol. 1896, No. 4, pp. 10-20.

[144] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), p. 12.

Separately from this Bill, the Department has indicated it will take forward regulations to introduce a £20 000 gross annual income/ £100 000 asset registration threshold below which charities would not be required to register with the Commission or provide an annual report and accounts for publication on its website.[145] This is contrast to the Independent Panel's recommendation that all charities should have to register.[146] In the Second Stage debate, the Minister indicated that these regulations will come forward in two stages in Autumn 2026 and April 2027.[147]

The Department had stated that they intend the eligibility for using the new template reporting framework to align with this threshold, so that template reporting will only apply to the smallest charities, who choose to register.[148] However, the Department has removed the reference to assets in clause 8 of this Bill, to retain a 'clearer income based approach', in relation to the disapplication for independent examination.[149] The Department has argued that template reporting and the removal of the requirement for independent examination may encourage more small charities to remain on the register or seek registration.[150]

Of note, the Panel suggested that charities with an income of £25 000 should be able to avail of template reporting.[151] The Panel argued the reforms would allow smaller registered charities to focus their work less on reporting

[145] Department for Communities, Response to the Consultation on a Registration Threshold for Charities in Northern Ireland (2025)

[146] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 97-102.

[147] Northern Ireland Assembly, Official Report Tuesday 23rd June 2026, Vol. 1896, No. 4, pp. 17-18

[148] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), p. 12; Department for Communities, Response to the Consultation on a Registration Threshold for Charities in Northern Ireland (2025), p. 34

[149] Correspondence between RaISe and DfC officials, 26/05/26

[150] Department for Communities, Public Consultation Registration Threshold for Charities in Northern Ireland (2024) p. 23

[151] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 142

requirements and more on delivery. However, the Department argued that the threshold should align with their proposed registration threshold.

There was support for these proposals in the Department's consultation on the Bill.[152] Although supportive, NICVA highlighted the need to ensure template reporting is accessible for those who may not use the Internet, and called for further consultation on the forthcoming regulations.[153]

The minority of respondents who disagreed with the approach argued that transparency requirements should apply consistently to all charities, irrespective of size.[154]

The Commission has highlighted its powers under section 70 of the 2008 Act to prescribe the form and content of Annual Monitoring Returns.[155] The Commission has argued that amending requirements in relation to annual monitoring would have been a more direct and streamlined way of introducing simplified and standardised financial reporting for the smallest charities.[156]

Clause 8 would remove the need for these very small charities to undergo independent examination of their accounts, as they will be using template reporting. Under the 2008 Act, independent examiners are under a duty to report any matters of 'material significance' to the Commission's functions.[157] This safeguard would also be removed by clause 8.

In relation to its plans to introduce a £20 000 registration threshold, the Department has proposed that where a charity has a spike in income over £20

[152] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), pp. 22, 28

[153] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008, (2026) p. 9.

[154] As cited at footnote 152, p. 28

[155] Charity Commission for NI, How to complete the Annual Monitoring Return (AMR) – 10 minute guide (2022) p. 7. Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026 CCNI further considerations, 22/04/26, shared with RaISe, p. 4.

[156] Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026: CCNI further considerations, 22/04/26, shared with RaISe, pp. 4-5.

[157] Charities Act (Northern Ireland) 2008, sec 67

000, trustees will be required to monitor the charity's income for the next two years after the first spike and seek registration if it remains above the income threshold in each subsequent year. However, as soon as a charity breaches the asset threshold, they must register.[158] It is not clear if the same rules will apply in relation to the reporting and audit threshold.

The Independent Review outlined that, although dispensing with the requirement for an independent examiner's report in the case of small charities may introduce some risk that mismanagement will not be spotted immediately, it may allow the Commission to complete a higher level of basic compliance checks on all charities and to carry out a larger randomised sample audit. [159]

The Department has indicated that independent examination can cost charities £500, which it considers is not proportionate for very small charities.[160]

The removal of independent examination for this group was supported by 22 out of 28 respondents to this question in the consultation.[161] Some pointed to the potential of incentivising smaller charities to stay on the register. However, respondents who disagreed with the proposals expressed strongly held concerns regarding sufficient scrutiny of these charities.

The Commission has recognised that the disapplication of independent examination is required to allow template reporting for the small charities that choose to register.[162]

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[158] Department for Communities, Response to the Consultation on a Registration Threshold for Charities in Northern Ireland (2025), p. 16

[159] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 140-142

[160] Committee for Communities NI Assembly, Official Report: Charities (Amendment) Bill: Department for Communities (26/03/2026), p. 4

[161] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 24

[162] Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026: CCNI further considerations, 22/04/26, shared with RaISe, p. 6.

Potential points for scrutiny

Members may wish to consider:

- What consideration has been given to the amending the requirements of Annual Monitoring Returns, as an alternative to the template reporting proposals in the Bill;
- What template reporting will look like in practice for the smallest charities, and how will it differ from their current requirements;
- Whether template reporting will be available in both hard-copy and digital forms;
- How charities, who would normally use the template reporting mechanism, who have a spike in income above £20 000 in one year be treated;
- How the Commission will ensure it is aware of any issues of significance to its functions amongst this group of charities, in the absence of independent examiners;
- How these provisions will apply to charities with under £20 000 income, but over £100 000 in assets;
- Whether these proposals could create perverse incentives for charities to stay below the £20 000 income threshold;
- What engagement will there be with small charities in developing these Regulations; and
- How many small charities does the Department expect to choose to remain registered, and therefore be subject to template reporting

Dispensations from accruals accounts

The Department has also indicated that, through regulations under clause 7, it plans to allow charities which have an exceptional one-off increase in income that takes it above the accruals accounts threshold to continue to prepare receipts and payments accounts for that year.[163] If the charity exceeds the threshold again in the following year, it will be required to move to accruals accounts, as the Department's view is that the higher level of income would no longer be considered exceptional, but would instead indicate sustained growth.

The Department had previously planned to allow the Commission to grant dispensations from the requirement to prepare accruals accounts when a charity exceeds the £250,000 income threshold due to exceptional, one-off circumstances, such as a large legacy or fundraising campaign.[164] This was supported by 20 out of 29 responses to this consultation question, and was the approach suggested in the Independent Review. [165] However, the Department has changed its plans due to concerns from the Commission in relation to resources,[166] further discussed in the Review of Costs Paper (NIAR-158-2026). The Department has indicated that this change to their plans for the Regulations do not require any amendments to the Bill.[167]

The Commission has indicated that in both of the years 2022-23, and 2023-24, c. 100 charities breached the accruals threshold, and c. 400 charities had an income of between £180-250 000, and were therefore relatively close to the threshold.[168]

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[163] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 23

[164] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), p. 11

[165] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 133.

[166] As cited at footnote 163, p. 23

[167] Correspondence between RaISe and DfC officials, July 2026

[168] Charity Commission for NI, Charity Commission position on Clause 7 Dispensation from accruals accounts – decisions within specified timeframe, 05/05/26, shared with RaISe., and Correspondence between RaISe and Charity Commission Officials, 28/05/2026

Both the Commission[169] and NICVA[170] were supportive of a model closer to the Department's current proposals. The Commission argued such an approach would provide certainty for charities, and allow proportionate, risk-based regulation.[171]

It should be noted that a potential safeguard is that charities with incomes between £20 000 and £500 000 will continue to undergo at least independent examination of their accounts. The examiners have a separate legal responsibility to report to the Commission if a matter of material significance to its regulatory functions is identified.[172]

Potential points for scrutiny

Members may wish to consider:

- Whether the proposed approach allows for sufficient oversight of charities who have an exceptionally high-level of income for one year;
- Whether charities who have an exceptional year of income over £250 000 would have to use an independent examiner from one of the organisations listed in the 2008 Act, to examine their receipts and payments accounts; and
- How the Commission has dealt with its powers under regulation 27 (3) of the Charities (Accounts and Reports)

[169] Charity Commission for NI, Charity Commission position on Clause 7 Dispensation from accruals accounts – decisions within specified timeframe, 05/05/26, shared with RaISe.

[170] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008, (2026) pp. 6-7.

[171] As cited at footnote 169.

[172] Charity Commission for NI, Independent examination of charity accounts: examiner's guide (2019), p. 51

Regulations (Northern Ireland) 2015 to apply dispensations in relation to audit requirements.

Setting the format of receipts and payments

Under the Department's proposals, in future, charities with income of £20 000-£250 000 would prepare a receipts and payments accounts with a standard format. The Commission currently has a receipts and payments toolkit which charities can voluntarily use as a template.[173]

The Department does not intend to alter the substantive requirements that currently apply to receipts and payments accounts, but provide greater flexibility to update and refine accounting requirements in the future, should this prove necessary, without requiring further primary legislation.[174] The Department also plans to consult on the regulations prior to making them to ensure that the operational deliverability works for the sector and the Commission.[175]

The Commission has recognised that standardising receipts and payments accounts has the '*potential to improve consistency, comparability and clarity for small charities and the public*'.[176] However, it has noted the need to ensure that '*the distinction between Department made accounting frameworks and regulator led implementation is clearly maintained in secondary legislation*'.

The majority of respondents who answered this consultation question (21 of 29) supported this proposal.[177] NICVA argued that the format for the content of receipts and payments accounts should be simple, particularly in relation to assets, and should be consulted on.[178]

[173] Charity Commission for NI, Receipts and Payments Toolkit (accessed 22/06/2026)

[174] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 24

[175] As cited immediately above, p. 24

[176] Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026 CCNI further considerations, 22/04/26, shared with RaISe, p. 3.

[177] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 20

[178] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008, (2026) p. 8.

2.9.2 Other jurisdictions approach to accounting and reporting

Other local jurisdictions take different approaches to accounting and reporting. The extent to which Northern Ireland may align with elsewhere will likely depend on the eventual regulations.

Small charities

In England and Wales, registered charities with an income of under £10 000 only need to report their receipts and payments accounts, and only fill in some sections of the annual return,[179] whilst charities with income of £10 000- £25 000 have to complete a more detailed annual return, but do not require independent examination.[180] Charities with an annual income of under £5000 do not have to register in England and Wales.

Scotland currently has a similar system to Northern Ireland,[181] in that all charities are required to send the OSCR an online annual return, along with annual accounts, a Trustees' annual report, and either an independent examiner or auditor's report.[182] Like in Northern Ireland and England and Wales, the level of detail in the annual report depends on whether accrual accounts are required.[183]

In the Republic of Ireland, all charities must prepare an annual report.[184] The legislation allows the Minister to bring forward regulations to allow different provisions in relation to different classes of information and different classes of charitable organisation, but this hasn't been done.

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179 Charity Commission for England and Wales, Charity reporting and accounting: the essentials (2025), section 4.

180 Charities Act 2011, sec 145

181 Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 138.

182 Office of the Scottish Charity Regulator, Annual Reporting (accessed June 2026)

183 Office of the Scottish Charity Regulator, Trustees' Annual Reports (2025, accessed June 2026)

184 Charities Act (Ireland) 2009, sec 52

Charities in the Republic of Ireland with a gross income or total expenditure of less than €10 000 are exempted from the requirement to prepare accounts.[185] The Minister has not yet set the minimum threshold which would require an annual audit or examination of accounts.[186] However, when the relevant provisions are commenced,[187] charities which meet two or more of these conditions will be exempted from the requirements for preparing accounts, and annual audits or examination of accounts:

- its balance sheet total does not exceed €10,000, or such greater amount not exceeding €50,000 as may be prescribed;
- its gross income does not exceed €10,000, or such greater amount not exceeding €50,000 as may be prescribed; or
- it has no employees

Dispensation from accruals accounts

The Commission has outlined that '*Accruals accounting dispensations do not generally exist as a statutory regulatory function in other charity law jurisdictions*'.[188]

Format of receipts and payments accounts

In Scotland, schedule 3 of the Charities Accounts (Scotland) Regulations 2006 outlines content requirements for receipts and payments accounts. This includes specific forms on income and outgoings which should be recorded separately. It also requires that, apart from where the information is provided in the annual report, that notes to the accounts should include issues like renumeration paid to charity trustees, and the number and amount of grants paid.

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[185] Charities Act (Ireland) 2009, sec 48 (6)

[186] Charities Act (Ireland) 2009, sec 50

[187] Charities (Amendment) Act (Ireland) 2024, secs 17-18, amending the Charities Act (Ireland) 2009, sec 50

[188] Charity Commission for NI, Charity Commission position on Clause 7 Dispensation from accruals accounts – decisions within specified timeframe, 05/05/26, shared with RaISe.

In England and Wales, there is no statutory format for receipts and payments accounts, although a voluntary template is available.[189]

In the Republic of Ireland, where the gross income or expenditure of a charitable organisation in a financial year does not exceed €100,000,[190] the charity trustees may, instead of preparing an annual statement of accounts in respect of that year, prepare an income and expenditure account in respect of, and a statement of the assets and liabilities of, the charitable organisation.[191] The format of this can be prescribed by the Minister, but this has not been done.[192]

Potential points for scrutiny

Of relevance across the clauses relating to accounting and reporting, Members may wish to consider:

- Seeking further views from charities and representative bodies on how the proposed thresholds and reporting changes are likely to operate in practice, particularly for smaller and volunteer-led organisations, and whether they could create unintended incentives or impacts;
- Whether the right balance has been struck between reducing bureaucracy for charities, and ensuring sufficient oversight to protect trust in the sector;
- The support which will be provided for charities to understand the new requirements;

[189] The Charity Commission for England and Wales, Receipts and payments accounts (CC16): charity accounting template (2013, updated 2017)

[190] This is due to rise to €250 000 when the relevant provisions are enacted - Charities (Amendment) Act (Ireland) 2024, sec 17

[191] Charities Act (Ireland) 2009, sec. 48 (3) (a)

[192] Irish Office of the Attorney General, Charities Act 2009: SIs made under the Act

- Despite the intention that ‘different classes of charity’ relates to financial size, whether this phrase could be interpreted more broadly by the Department in the future, for example allowing it to make different provisions for charities with different charitable purposes;
- Mindful of the duty to consult with appropriate persons when making regulations under sections 64 and 68 of the 2008 Act, the Department’s plans to hold further consultations in relation to the proposed regulations, particularly with affected charities;
- Whether the Negative Resolution Procedure is appropriate for these regulations;
- What oversight, if any, will the Assembly have of the regulations to be made by the Commission, in relation to the form and content of the statement; and
- Seeking advice from the Examiner of Statutory Rules on these provisions.

2.10 Clause 9: Meaning of ‘gross income’

Clause 9 is an enabling provision, allowing the Department to update and clarify the meaning of ‘gross income’ via secondary legislation.

Gross income is currently defined in the 2008 Act as a charity’s ‘*gross recorded income from all sources including special trusts*’.[193]

[193] Charities Act (Northern Ireland) 2008, sec 180

Clause 9 would allow the Department to make regulations to '*make provision about what counts, or does not count, as income of a charity for the purposes of the definition of "gross income*".'

2.10.1 Background

The Independent Review recommended that the 2008 Act be amended to provide greater clarity to charities as to its meaning.[194] It cited the Commission's submission to the Independent Review, which argued that the current definition '*does not helpfully explain to charities what makes up income for threshold purposes, particularly for smaller charities preparing receipts and payments accounts where cash received may be capital in nature and not true income*'. [195]

The Commission currently uses an administrative definition for gross income for threshold purposes: '*For accounts prepared on a receipts and payments basis gross income is simply the total receipts recorded in the statement from all sources excluding the receipt of any endowment, loans and proceeds from the sale of investments or fixed assets'*.[196]

However, the Commission has also noted that '*it has been necessary in practice to apply different policy definitions depending on whether a charity prepares receipts and payments accounts or accruals accounts in accordance with the Charities SORP. These distinctions reflect fundamental differences in accounting methodology rather than regulatory choice*'.[197]

The Commission considers that clause 9 provides the opportunity for clearer statute. It argues that it is '*important that any definitions of gross income used*

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[194] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 135, 143.

[195] Charity Commission for Northern Ireland, First Submission to Independent Review of Charity Regulation (2021), pp. 42-43.

[196] Charity Commission for Northern Ireland, Receipts and payments accounts for smaller charities How to prepare receipts and payments accounts, (2019) p. 9.

[197] Charity Commission for NI, Draft Charities (Amendment) Bill (Northern Ireland) 2026 CCNI further considerations, 22/04/26, shared with RaISe, p. 6.

across registration, accounting and reporting regimes are aligned in principle and derive from accounting basis rather than classification'.

The Department considers that this is not something that can be easily fixed by changing the law.[198] Its view is that the current legal framework works well, and writing detailed accounting rules into legislation would remove flexibility and make it harder to adapt to future changes. They suggest that if new types of capital assets or receipts emerge, the law could quickly become outdated.

25 out of 29 of respondents who answered this question in the consultation were supportive of the Department's proposal.[199] However, some indicated they did not understand the proposal, leading the Department to indicate that they will engage the sector as any proposals develop.

2.10.2 Other jurisdictions

The UK wide Charities Statement of Recommended Practice recognises that the statutory definition of gross income may vary by jurisdiction.[200]

In the Scottish legislation, gross income is defined as the '*total recorded income of the charity in all unrestricted and restricted funds but not including resources received as capital funds'*.[201] The Independent Review Panel found this definition to be more comprehensible than the current Northern Irish version.[202]

[198] Department for Communities, Consultation on a Bill to amend the Charities Act (Northern Ireland) 2008 (2026), p. 13.

[199] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 27

[200] Charity Commission for England and Wales, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Effective 1st January 2026), p. 272

[201] The Charities Accounts (Scotland) Regulations 2006, Reg 1

[202] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 135.

The statutory English and Welsh definition of gross income is the same as Northern Ireland – *'gross recorded income from all sources including special trusts'*.[203]

The Charities Act (Ireland) 2009 does not include a specific definition of gross income.

Potential points for scrutiny

Members may wish to consider:

- The Department's plans to consult on and introduce regulations; and
- Seeking further information from charities and the Commission as to any issues which have arisen in the absence of a detailed definition of gross income

2.11 Clause 11: Removal of regulatory arrangements

Clause 11 would repeal section 167 of the 2008 Act.

Section 167 of the 2008 Act applies to "any institution which is not a charity under the law of Northern Ireland, but which operates for charitable purposes in or from Northern Ireland." It has never been brought into force, and, as drafted, the Independent Review concluded it was unworkable.

This clause removes a prospective provision in relation to charities based in other jurisdictions which operate here. In practice, the repeal would not prevent such organisations from operating in Northern Ireland, but would mean they are not required to register or report separately under Northern Ireland charity law.

[203] Charities Act 2011, sec 353

Instead, they would be regulated by their primary regulator, where they are registered.

2.11.1 Background

To register as a charity under the 2008 Act, a charity must be established in Northern Ireland and be under the jurisdiction of the Northern Irish courts. Therefore, a charity which is under the jurisdiction of courts elsewhere cannot currently register on the Northern Irish Charities Register.

Section 167 of the 2008 Act was intended to deal with those charities that are established elsewhere, but which operate in Northern Ireland. It provides that the trustees of such institutions prepare annual financial statements and statements of activities, with the form and contents of these to be prescribed by regulations made by the Department. It aimed to avoid the necessity of the Commission having to further scrutinise the constitutions of charities already registered elsewhere.[204] The Commission has Memorandums of Understanding in place with neighbouring charity regulators, including in relation to information sharing.[205]

However, section 167 has never been commenced. The Commission maintains a list of charities which would have to register under section 167.[206] As of October 2025, it included 687 charities.[207] There has been a lack of clarity for both the Commission and the affected charities as to what would be required of charities upon commencement.[208]

[204] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p 235.

[205] As cited immediately above, pp. 117-118. A Memorandum of Understanding between the CCNI and the Irish Charities Regulator was signed in April 2022, after the publication of the Independent Review.

[206] Charity Commission for Northern Ireland, Section 167 – list as at 24 Oct 2025

[207] For example, the Royal Society for the Protection of Birds, BBC Children in Need, and the Evangelical Alliance

[208] As cited at footnote 204, p. 236.

The Independent Review found the wording of section 167 made it unfit for purpose, due to lack of clarity regarding:[209]

- **The definition of 'institution'**: This could result in the Commission being required to register any organisation, whether charitable or not and from any part of the world, that undertakes any work to advance a charitable purpose[210] in Northern Ireland. It may not be subject to the full scrutiny of a charity regulator in another jurisdiction.
- **The scope of operating in Northern Ireland**: The threshold for triggering the operations requirement could potentially mean that organisations holding ad-hoc or one-off events, those running fundraising campaigns, and owners of property in Northern Ireland could be included.
- **The purpose of section 167:** As currently drafted, section 167 institutions would have to prepare two separate financial statements, one for their lead regulator and a separate Northern Irish specific statement for the Charity Commission. However, the information which might be needed would depend on whether the Commission is expected to play a proactive role in regulating these charities, or whether it would defer to the charity regulator elsewhere.

The Review recommended that the Department should commence section 167, following review and amendments.[211]

2.11.2 Departmental consultation

The Department held a short, targeted public consultation, including two online stakeholder events with over 120 participants, from 17 September to 1 October

[209] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), pp. 238-244

[210] Defined in Charities Act (Northern Ireland) 2008, sec 2 (2)

[211] Department for Communities, Independent Review of Charity Regulation NI: Final Report (2022), p. 239.

2025 on the potential amendment and commencement of section 167.[212] The consultation received 36 written responses.[213]

The consultation report found that a slight majority of respondents (57%) supported the commencement of section 167, citing improved recognition, legitimacy, and access to funding for charities not currently registered in Northern Ireland.[214] NICVA reported that '*Section 167 charities have told of the difficulty of not being able to access/or have had a great difficulty accessing funding streams specific to NI. Also some have explained that donors, because they can't see a NI charity number think that the money is not being spent in NI'*.[215]

A third of respondents indicated that the non-commencement of section 167 has created practical challenges, primarily relating to access to funding without a Northern Ireland charity number, and tax issues.[216] Other section 167 charities stated that they continue to operate smoothly under existing regulation from England, Wales, or Scotland, and have not experienced funding or reputational issues.

In its Report, the Department outlined its view that section 167 would not provide a Northern Ireland charity number nor resolve tax matters as it would not make these institutions charities under the law of Northern Ireland.[217]

The majority of respondents did not support Northern Ireland specific reporting under section 167, citing significant administrative burdens. The Department agreed and suggested that requiring charities to provide a link to their accounts

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[212] Department for Communities, Consultation on section 167 of the Charities Act (Northern Ireland) 2008 (2025)

[213] Department for Communities, Section 167 of the Charities Act (Northern Ireland) 2008: Consultation Report (2026) p. 7.

[214] As cited immediately above, p. 8.

[215] Northern Ireland Council for Voluntary Action, Response: Consultation on Section 167 of the Charities Act (Northern Ireland) 2008, p.1.

[216] As cited at footnote 213, pp. 10-11.

[217] As cited at footnote 213, pp. 11-12.

for another jurisdiction would duplicate information already online and create unnecessary work for the Commission.[218]

Following the consultation, the Department confirmed its intention to repeal section 167. It argued that the original policy intent, to provide a light-touch regulatory framework which would improve transparency, public confidence, and provide recognition for external charities engaging with Northern Ireland communities, could not be met, even if section 167 was amended.[219] There would be a two-tier system, where section 167 charities would not be subject to the same level of regulation, which could cause confusion.

In the Department's view, the perceived benefits of bringing section 167 into force rely on assumptions section 167 cannot fulfil, as it would not make these institutions Northern Ireland charities. It concluded that repeal of section 167 is the most proportionate and effective course of action. The Department has since highlighted that these institutions can choose to constitute separately in Northern Ireland and register with the Commission if they feel it is in their best interests to do so.[220]

In the subsequent consultation on the Bill more broadly, the majority of respondents (22 of 28) agreed with the Department's proposal to repeal section 167.[221] Although they had originally supported the enactment of section 167, NICVA have indicated that, following this explanation from the Department, that they are supportive of the repeal of section 167.[222]

The Commission is also supportive of the repeal of section 167.[223]

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[218] Department for Communities, Section 167 of the Charities Act (Northern Ireland) 2008: Consultation Report (2026), pp. 21-22

[219] As cited immediately above, p. 6.

[220] Department for Communities, A Bill to amend the Charities Act (Northern Ireland) 2008 Public Consultation, p. 14

[221] Department for Communities, Charities (Amendment) Bill Consultation Report (2026), p. 30

[222] Northern Ireland Council for Voluntary Action, Response to the Consultation on A Bill to amend the Charities Act (Northern Ireland) 2008 (2026), pp. 11-12.

[223] Correspondence between RaISe and the Charity Commission officials, 28/05/26

2.11.3 Other jurisdictions

This approach would align with England and Wales, where charities operating there, but established in another jurisdiction are not required to register with or report to the CCEW.[224]

All organisations which represent themselves as charities in Scotland must register with OSCR. This includes bodies that are established and/or registered as charities in other legal jurisdictions, although does not include cross-border charity who do not have substantive activity in Scotland.[225] However, CCEW will be the lead regulator for cross-border charities and in general will take responsibility for dealing with concerns about cross-border charities, unless the concern relates to a Scottish specific matter that OSCR would be best placed to look at.

Charities operating in the Republic of Ireland, but established in other jurisdictions are required to register with and report to the Charities Regulator.[226]

Potential scrutiny points

Members may wish to consider:

- Engaging with directly affected charities to ask for their views on the repeal of section 167, in light of the information provided by the Department; and
- How many current section 167 charities does the Department expect to reconstitute in Northern Ireland, and apply to join the Northern Ireland charity register.

[224] Department for Communities, Public Consultation Section 167 of the Charities Act (Northern Ireland) 2008 (2025), p. 5.

[225] Officer of the Scottish Charity Regulator, Cross-border charity regulation in Scotland: Guidance (2025)

[226] Charities Act (Ireland) 2009, sec 39.

2.12 Clauses 12-14: Technical amendments and commencement

Clause 12 makes minor technical amendments, including to remove references to the Department for Communities, as there is already a separate definition of the Department in the 2008 Act.

Clause 13 outlines that the Bill would come into operation on the day after Royal Assent apart from clauses 7 (Requirement to prepare accounts), 8 (Auditing: disapplication for small charities) and 10 (Reporting), which will come into operation as the Department may be order appoints. The Department can include any transitional, transitory or saving provision as it considers appropriate.

Clause 14 provides that the short title of the Act would be the *Charities (Amendment) Act (Northern Ireland)* 2026.

Clause 12 makes minor amendments to section 16A and to paragraph 9A of Schedule 1 of the 2008 Act.[227] These amendments remove the references to the Department for Communities which were inserted by an amendment in the Charities Act (Northern Ireland) 2022. These changes are made on the basis that the existing definition of “the Department” in section 180 already captures the Department for Communities.

The Department has indicated that the clauses dealing with accounting and reporting requirements would be commenced by order at the same time as the relevant regulations are made. [228]

[227] Charities (Amendment) Bill, Explanatory and Financial Memorandum

[228] Committee for Communities NI Assembly, Official Report: Charities (Amendment) Bill: Department for Communities (26/03/2026), p. 4

Potential scrutiny points

Members may wish to consider:

- The financial and practical support for the Commission to ensure it is ready for the provisions which would come into effect at Royal Assent; and
- The likely timeline for making the relevant regulations, and commencing clauses 7, 8 and 10

3 Conclusion

In conclusion, this paper provides an overview of the Charities (Amendment) Bill, which would amend the Charities Act (Northern Ireland) 2008, to expand the Commission’s information-sharing powers; enhance the Commission's powers to act to intervene where misconduct of mismanagement occurs; streamline accounting and reporting requirements; and repeal section 167 of the 2008 Act. It raises a number of scrutiny issues that Members may wish to consider.