

## The Charities etc. (Guernsey and Alderney) Ordinance, 2021

### Summary of main changes

The Charities etc. (Guernsey and Alderney) Ordinance, 2021 came into force on 29 April 2022.

This document is a summary of the main requirements that affect registered charities/NPOs.

Further guidance and information is available in the [guidance documents](#) and by clicking the links to the FAQs in this document.

#### **Relevant entity**

1. An organisation established, administered, controlled in or operating from either Guernsey or Alderney that is wholly charitable in nature is a relevant entity in accordance with the Charities etc law.

#### **Compulsory and voluntary registration**

2. Registration as a charity is only available for organisations whose primary purpose is one of the agreed charitable purposes (see [FAQ 3](#)) AND who are for public benefit (see [FAQ 2](#)).
3. Organisations whose primary purpose is for the non-financial benefit of its members and is established "solely or principally for social, fraternal, educational, cultural or religious purposes, or for carrying out of any other types of good works" are non-profit organisations (NPOs) for the purposes of the Charities etc law and income tax purposes.
4. All charities/NPOs that carry out international activities (see [FAQ 7](#)) or are over the financial thresholds and accept or invite public donations are required to register (see [FAQ 5](#)). All other charities/NPOs are able to voluntarily register.
5. The financial thresholds for compulsory registration are: gross assets and funds of £100,000 or more, or a gross annual income of over £20,000. Charities/NPOs that meet these thresholds but do not solicit or accept donations, funds or contributions from the public are not obliged to register (see [FAQ 6](#)).

#### **Updating details with the Registry**

6. There is a requirement to complete and submit a change of particulars form where there are any changes to the data held by the Registry within 21 days of the change occurring (see [FAQ 1](#)).

#### **Constitution**

7. All registered charities/NPOs (including those that are voluntarily registered) must have a constitution or other governing document that, as a minimum, contains the information set out in the [Schedule to the Regulations](#). If a Charity/NPO's current governing document does not contain all of the required elements it will need to be amended. There can be more than one governing document and therefore, any gaps can be addressed by an addendum. The constitutional documents must be reviewed periodically and updated if necessary. All governing documents need to be filed with the Registry and if any changes are made, updated copies must be filed with the Registry within 21 days (see [FAQ 10](#)).

#### **Risk assessments/mitigation**

8. All charities/NPOs need to consider what risks there are to their operations and relationships and then introduce policies and practices/procedures that will mitigate these risks as appropriate (see [FAQs 15 – 17](#)).

9. International charities/NPOs must have an anti financial crime policy in writing and this must be submitted to the Registry.

## **Beneficiary and donor identification measures**

10. Charities/NPOs are required to carry out identification measures on beneficiaries and donors outside of the Bailiwick for payments/receipts over £15,000 or more (cash or physical market value) and on all unusual transactions (see [FAQs 18-20](#))
11. Charities/NPOs must keep a donor and beneficiary register for all parties where identification measures have been carried out (see [FAQ 21](#)).

## **Reporting requirements**

12. All international payments of £100,000 or more must be reported to the Registry (see [FAQ 1](#)).
13. Charities/NPOs must be aware of the requirement to report any suspicion of criminal activity under other frameworks (see [FAQ 22](#)).

## **Keep records**

14. Keep up-to-date and sufficient financial records in accordance with legislation, governing documents, to demonstrate good stewardship and enable financial probity and transparency (see [FAQ 1](#) and [FAQ 13](#)).
15. Records must be kept of managing officers' details, minutes of meetings/decisions, international activities, details of affiliations with third parties and records of all contracts worth over £5,000 or which are significant (see [FAQ 12](#)).

## **Undertake and record reviews**

16. All registered charities/NPOs should review their compliance with the legislation annually. If any failures are detected, mitigating measures should be put in place. Constitutional documents should also be reviewed periodically and updated if necessary. International focussed charities/NPOs should review their anti-financial crime policies annually. Details of review findings and any remedial action should be recorded (see [FAQ 23](#)).

## **Financial statements**

17. All registered charities/NPOs must produce financial statements and compulsorily registered charities/NPOs must file these with the Registry. Charities/NPOs that solicit or accept funds or contributions from the public will be required to make their most recent financial statements available to any person on request – this will only apply to financial statements for periods after 31 December 2022 (see [FAQ 13](#)).

## **Financial records and controls**

18. Transactions must pass through a charity/NPO's bank account as far as reasonably possible. There are some exemptions and allowances made (for example for low value transactions, etc.) which are detailed in [FAQ 14](#).
19. The release of any of a charity/NPO's funds should involve at least 2 unconnected individuals (see [FAQ 14](#)).
20. Charities/NPOs should keep their assets separate from those of any third party (including the managing officers of the charity/NPO itself), as far as reasonably possible (see [FAQ 14](#)).

21. Compulsorily registered charities/NPOs must have policies and procedures that follow accepted accounting principles and controls. Work is underway to prepare more detailed guidance on accounting policies which will be issued later in 2022.

### **Managing officers (minimum number)**

22. Subject to some limited exemptions, registered charities/NPOs must have a minimum of 3 managing officers with the designated and defined responsibilities of chair, secretary and treasurer. The treasurer must be unconnected to at least one of the other primary roles i.e. not related to (see [FAQ 11](#)). For best practice purposes, internationally active charities are required to have all three of these named roles unconnected and resident in Guernsey/Alderney. Branches, Channel Island focuses and voluntary charities/NPOs are required to have two managing officials.

### **Dealing with international partners**

23. Charities/NPOs should have appropriate measures and controls in place where they have an international partner (i.e. an affiliated organisation or other organisation that is separate from the charity/NPO but has an agreement to collaborate with it). These measures and controls are detailed in [International FAQs 34-39](#).
24. Charities/NPOs should also ensure that any international partners operating in a focus country (see [international FAQ 32](#)) have measures to mitigate financial crime/terrorist financing risks (see [international FAQ 38](#)).