



Press Release

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New legislation on the cards for charities and NPOs

Charities and non-profit organisations (NPOs) are set to face more stringent rules on how they operate under a new registration framework.

A single register has been proposed to replace the current split registration of charities and NPOs in Guernsey and Alderney and more effectively manage risk while complying with international financial regulations and standards.

Improved ethical standards and the safeguarding of at-risk groups such as children and the elderly are at the heart of the proposals, supported in principle by Alderney's Policy & Finance Committee. The changes fall into six categories:

- A targeted, risk-based approach to compulsory registration. Low-risk NPOs may not need to register but some that are currently exempt and are assessed as higher risk will be included.
- Wider powers to prevent registration being used inappropriately, including the screening of NPO officers.
- Extension of compulsory governance obligations for registered NPOs, including a new requirement to report overseas transactions above a specified threshold.
- High standards of ethical conduct in the charity sector, especially for adult safeguarding and child protection.
- Greater oversight powers for the Registrar of Guernsey & Alderney NPOs, including a wider range of sanctions against those that do not meet their obligations.
- New clear and concise legislation to put the registration framework into action.

The current framework was introduced to counter money-laundering, financial crime and terrorist financing but a review has identified the need to introduce new rules on standards and governance.

The new legislation aims to provide "a legal and operational framework for NPOs that promotes transparency, integrity and confidence in the sector and is clear, easy to understand and proportionate to the risks of the sector."

As the proposal is to create a single register, the framework would include a “charitable test” to distinguish between NPOs that can be considered a charity and those that are not, as well as enabling charities to be separately specified.

However, the proposal recognises that there are NPOs in Guernsey and Alderney that do not need to be covered by the new framework, such as sports and social clubs operated by employers solely for the benefit of employees and residential associations financing the upkeep of communal areas.

The threshold at which registration applies is likely to be set at £100,000 of assets or funds, or gross annual income of £20,000 or more, thus exempting many fundraising events in Alderney.

[Alderney charities and NPOs can access the 13-page States of Guernsey Policy & Resources letter here.](#)

NOTE TO EDITORS: An NPO is defined as any organisation established either for the non-financial benefit of its members or for the benefit of society, including organisations established for fraternal, educational, cultural or religious purposes, or for the carrying out of any other types of good works.

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