

TERMS OF REFERENCE

Consultation by the Board of Taxation on the definition of a charity

1. The Government has announced that it will codify the existing common law meaning of a charity and expand it to encompass certain child care organisations, self-help bodies, and closed or contemplative religious orders.

Pursuant to this decision, the Board is to consult on the workability of the legislative definition of a charity proposed in the exposure draft Charities Bill 2003.
2. In addition, the Board should specifically consult on whether the public benefit test in the Charities Bill 2003 should require the dominant purpose of a charitable entity to be altruistic, as recommended by the *Report of the Inquiry into the Definition of Charities and Related Organisations*.
3. The Board should consult primarily with organisations intended to fall within the new definition of a charity.
4. The Board should consider views put forward and provide its recommendations in a report to the Government by 1 December 2003.