

CHARITIES ACT 2006

EXPLANATORY NOTES

THE ACT

Commentary on Sections

Section 37: Disqualification of trustees receiving remuneration by virtue of section 36

157. This section inserts a new section, 73C, into the 1993 Act. Where a trustee or connected person is (or would be) entitled to receive remuneration under an agreement or proposed agreement within section 73A (inserted by section 36), new section 73C provides (*subsection (2)*) that the trustee in question is disqualified from acting as a trustee in relation to decisions or other matters about that agreement. For this section a “connected person” is as defined in section 73B(5) (inserted by section 36).
158. *Subsection (3)* prevents a person’s disqualification from invalidating his acts done while disqualified.
159. *Subsection (4)* allows the Charity Commission to make an order under *subsection (5) or (6)* where a person has done something he was disqualified by subsection (2) from doing, and he or a connected person has received, or is due to receive, remuneration. Subsection (5) allows the Charity Commission to order the person to repay to the charity any remuneration received (*subsection (5)(a)*), including, by virtue of subsection (5) (b), the value of any benefit in kind. Where the person is due to receive the agreed remuneration, subsection (6) allows the Charity Commission to direct that the person is not to receive the remuneration.