

SCHEDULE 2

TRANSITIONAL AND TRANSITORY PROVISIONS AND SAVINGS

PART 2

JURISDICTION OF THE CHARITY COMMISSION AND THE COURT

Need for an order under section 38 of the 1993 Act in relation to a charity ceasing to be an exempt charity

10.—(1) Nothing in section 38 of the 1993 Act applies to a mortgage of land held by or in trust for a section 11 charity to which sub-paragraph (2) applies.

(2) This sub-paragraph applies to a mortgage of land held by or in trust for a section 11 charity if the charity trustees—

- (a) proposed that the mortgage be executed before the appointed day; but
- (b) had not executed it before that day.

(3) For the purposes of sub-paragraph (2) it does not matter whether the mortgage—

- (a) will only have effect to secure the repayment of sums paid by way of the proposed loan or grant or discharge of a proposed obligation; or
- (b) will also have effect to secure the repayment of sums paid by way of loan or grant, or the discharge of other obligations undertaken, after the date of its execution.

(4) In this paragraph “mortgage” has the meaning given by section 38 of the 1993 Act.