



Charities Act 2011

2011 CHAPTER 25

PART 11

CHARITABLE INCORPORATED ORGANISATIONS (CIOS)

CHAPTER 2

POWERS, CAPACITY AND PROCEDURE ETC.

218 Third parties

- (1) Subject to subsection (3), the validity of an act done (or purportedly done) by a CIO is not to be called into question on the ground that the CIO lacked constitutional capacity.
- (2) Subject to subsection (3), the power of the charity trustees of a CIO to act so as to bind the CIO (or authorise others to do so) is not to be called into question on the ground of any constitutional limitations on their powers.
- (3) Subsections (1) and (2) apply only in favour of a person who gives full consideration in money or money's worth in relation to the act in question, and does not know—
 - (a) in a subsection (1) case, that the act is beyond the CIO's constitutional capacity, or
 - (b) in a subsection (2) case, that the act is beyond the constitutional powers of its charity trustees,and (in addition) subsection (2) applies only if the person dealt with the CIO in good faith (which the person is presumed to have done unless the contrary is proved).
- (4) A party to an arrangement or transaction with a CIO is not bound to inquire—
 - (a) whether it is within the CIO's constitutional capacity, or
 - (b) as to any constitutional limitations on the powers of its charity trustees to bind the CIO or authorise others to do so.
- (5) If a CIO purports to transfer or grant an interest in property, the fact—

Changes to legislation: *Charities Act 2011, Section 218 is up to date with all changes known to be in force on or before 09 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (a) that the act was beyond its constitutional capacity, or
- (b) that its charity trustees in connection with the act exceeded their constitutional powers,

does not affect the title of a person who subsequently acquires the property or any interest in it for full consideration without actual notice of any such circumstances affecting the validity of the CIO's act.

- (6) In any proceedings arising out of subsections (1) to (3), the burden of proving that a person knew that an act—
 - (a) was beyond the CIO's constitutional capacity, or
 - (b) was beyond the constitutional powers of its charity trustees,lies on the person making that allegation.
- (7) In this section and section 219—
 - (a) references to a CIO's lack of constitutional capacity are to lack of capacity because of anything in its constitution, and
 - (b) references to constitutional limitations on the powers of a CIO's charity trustees are to limitations on their powers under its constitution, including limitations deriving from a resolution of the CIO in general meeting, or from an agreement between the CIO's members, and the references to constitutional powers are to be read accordingly.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 106(1)-(1B) substituted for s. 106(1) by [2022 c. 6 s. 16\(a\)](#)
- s. 322(2)(ea) inserted by [2022 c. 6 Sch. 2 para. 26](#)
- s. 331A331B and cross-heading inserted by [2022 c. 6 s. 15](#)