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STATUTORY INSTRUMENTS

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**2003 No. 1745**

**INCOME TAX**

**The Charitable Deductions (Approved Schemes) (Amendment) Regulations 2003**

<i>Made</i>	- - - -	<i>15th July 2003</i>
<i>Laid before the House of Commons</i>	- - - -	<i>15th July 2003</i>
<i>Coming into force</i>	- -	<i>5th August 2003</i>

The Treasury, in exercise of the powers conferred upon them by section 202(8) and (9) of the Income and Corporation Taxes Act 1988(1) and section 38(1), (3) and (6) of the Finance Act 2000(2), hereby make the following Regulations:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Charitable Deductions (Approved Schemes) (Amendment) Regulations 2003 and shall come into force on 5th August 2003

(2) Regulations 3 and 4 to 7 shall have effect in relation to supplements payable under section 38 of the Finance Act 2000 in respect of sums withheld by an employer as mentioned in that section on or after 6th April 2003 and before 6th April 2004.

**Interpretation**

2. In these Regulations “the principal Regulations” means the Charitable Deductions (Approved Schemes) Regulations 1986(3) and “regulation” means a regulation of the principal Regulations.

**Amendments to the principal Regulations**

3. In regulation 2 for the definition of “supplement” (4) substitute the following definition—

““supplement” means the supplement payable under section 38 of the Finance Act 2000;”.

4. In regulation 4A(5) for paragraph (3)(6) substitute the following paragraph—

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(1) 1988 c. 1.  
(2) 2000 c. 17. Section 38(6) was amended by section 146 of the [Finance Act 2003](#) (c 14).  
(3) S.I. 1986/2211, amended by S.I. 2000/759 and 2083.  
(4) Definition inserted by regulation 2, [S.I.2000/2083](#).  
(5) Inserted by regulation 4, S.I. 2000/759.  
(6) Inserted by regulation 5, S.I. 2000/2083.

“(3) The prescribed period for the purposes of section 38(1) of the Finance Act 2000 shall be—

- (a) the period of 7 days following the coming into force of the Charitable Deductions (Approved Schemes) (Amendment) Regulations 2003, or
- (b) if it ends later, the period within which payment of the sums paid to the approved agency by the employer pursuant to the scheme is to be made under this regulation.”.

5. In regulation 9 for paragraph (3)(7) substitute the following paragraph—

“(3) Where an approved agency has not paid to the charities specified by the employees—

- (a) the sums paid to it by the employer pursuant to the scheme within the period set out in regulation 4A(1) and (2), or
- (b) any supplements relating to those sums within the period prescribed by regulation 4A(3),

the approved agency shall, not later than 7 days following the last day on which it should have paid those sums or supplements to the charities, inform the Board by furnishing a statement of those sums or supplements and the reasons why it has not been able to comply with regulation 4A.”.

6. In regulation 11(1) for the words after sub-paragraph (c)(8) substitute—

“and

- (d) for not less than 3 years, records of all supplements paid to charities specified by employees and records of all amounts received from the Board under section 38 of the Finance Act 2000.”

7. For regulation 16(9) substitute—

**“Overpayment of supplement to be treated as unpaid tax**

**16.** Where the Board have made an overpayment under section 38 of the Finance Act 2000 to an approved agent, the amount of that overpayment may be assessed and recovered as if it were an amount of unpaid tax for the purposes of the Taxes Acts.”.

15th July 2003

*Nick Ainger*  
*Jim Murphy*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

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(7) substituted by regulation 6, [S.I.2000/2083](#).

(8) inserted by regulation 7, [S.I.2000/2083](#).

(9) inserted by regulation 8 of [S.I.2000/2083](#).

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Section 38 of the Finance Act 2000 (c. 17) (“section 38”) provides for a 10 per cent. supplement on donations to charities under the payroll deduction scheme in relation to sums withheld by employers on or before 6th April 2003. Section 146 of the Finance Act 2003 (c. 14.) extends section 38 so as to apply in relation to sums withheld by employers before 6th April 2004. The Charitable Deductions (Approved Schemes) (Amendment No.2) Regulations (S.I.2000/2083), have effect only in relation to sums withheld by employers before 6th April 2003. These Regulations make consequential amendments to the Charitable Deductions (Approved Schemes) Regulations 1986 (S.I. 1986/2211: “the principal Regulations”) in respect of the period between 6th April 2003 and 5th April 2004.

Regulation 1 provides for commencement, citation and effect, and regulation 2 for interpretation.

Regulation 3 amends regulation 2 of the principal regulations by adding a new definition of “supplement”.

Regulation 4 amends regulation 4A in the principal Regulations so as to prescribe a period within which supplements are to be paid to the charity or charities by an approved agency.

Regulation 5 amends regulation 9(3) of the principal Regulations so as to provide that an approved agent who does not pay supplements within the period prescribed must inform the Board of Inland Revenue (“the Board”) by furnishing a statement of the amounts and the reasons why it has not done so.

Regulation 6 amends regulation 11(1) of the principal Regulations so as to require an approved agency to keep records for not less than three years of all supplements paid to charities and all amounts received from the Board under section 38.

Regulation 7 inserts a new regulation 16 in the principal Regulations which allows the amount of any overpayment of supplement by the Board to an approved agency to be assessed and recovered as if it were unpaid tax.