
STATUTORY INSTRUMENTS

2010 No. 157

The Enactment of Extra-Statutory Concessions Order 2010

Estimated Gift Aid donations by companies

5.—(1) In the Income and Corporation Taxes Act 1988(1), after section 339(3B) insert—

“(3BA) In a case where a company makes a payment to a charity (“the donation”), and the charity makes a payment to the company (“the repayment”), then for the purposes of subsection (3B)(a) the donation is not made subject to a condition as to repayment if—

- (a) the company is wholly owned by the charity, or by a number of charities that include the charity;
- (b) the donation is of an amount which the company estimates to be the amount necessary to reduce to nil the company’s total profits for the accounting period in which the donation is made (“the relevant period”);
- (c) the only purpose for which the charity makes the repayment is to adjust the amount of the donation so that it is of the amount actually necessary to reduce to nil the company’s total profits for the relevant period; and
- (d) the repayment is made no later than 12 months after the end of the relevant period.

(3BB) If subsection (3BA) applies—

- (a) the repayment is not non-charitable expenditure for the purposes of section 505(4)(2) or section 543(1)(f) of ITA 2007; and
- (b) paragraphs 56 and 62 (but not 64) of Schedule 18 to the Finance Act 1998(3) (supplementary claims or elections) apply to the repayment.”.

(2) The amendment made by paragraph (1) has effect in relation to payments to charities made on or after 1st April 2010.

(1) 1988 c. 1; section 339(3B) was inserted by section 26 of the [Finance Act 1990 \(c. 29\)](#) and amended by section 40 of the [Finance Act 2000 \(c. 17\)](#), section 58 of the [Finance Act 2006 \(c. 25\)](#) and section 60 of the [Finance Act 2007 \(c. 11\)](#).
(2) Section 505(4) was amended by section 55 of the [Finance Act 2006 \(c. 25\)](#) and section 1027 of the [Income Tax Act 2007 \(c. 3\)](#).
(3) 1998 c. 36.