

*These notes refer to the Charities Act 2006 (c.50)
which received Royal Assent on 8 November 2006*

CHARITIES ACT 2006

EXPLANATORY NOTES

THE ACT

Commentary on Sections

Section 23 - Participation of Scottish and Northern Irish charities in common investment schemes etc.

91. Under sections 24 and 25 of the Charities Act 1993 the Charity Commissioners may make schemes for the establishment of, respectively, common investment funds (CIFs) and common deposit funds (CDFs), which are collective investment vehicles specially designed for charities. A CIF is akin to a unit trust while a CDF is akin to a deposit account for cash. Under the existing law the only investors from which CIFs and CDFs are allowed to accept investments are charities established in England and Wales.
92. **Section 23** amends sections 24 and 25 of, and inserts new section 25A into, the Charities Act 1993 to allow CIFs and CDFs the opportunity to accept investments from charities established in Scotland and Northern Ireland which are eligible for UK tax reliefs. Section 23 will not automatically widen the scope of every CIF and CDF in this way, but will allow individual CIFs and CDFs to make their own decisions as to whether or not to accept investments from such charities in Scotland and Northern Ireland.