

# Charities Amendment Act 2024

## An overview of the key changes for the charity sector

The Charities (Amendment) Act 2024 contains amendments to the Charities Act 2009, the main legislation governing regulation of the charity sector. While the Amendment Act was signed into law by the President in July 2024, each of the sections requires what is called a Commencement Order to be signed by the Minister and laid before the Oireachtas before the section takes effect. In anticipation of this, the Charities Regulator is liaising with the Department of Rural and Community Development, to plan and prepare for the implementation of the changes.

The changes, when introduced, will enhance and strengthen the existing regulatory framework and the proportionate approach we seek to take in our function as the regulator. Many of the changes do not impact the day to day work of charities. However, there are some significant changes, for example to the permitted charitable purposes and financial regulation of the sector. In the table below, we have set out the main changes, what they mean and what charities can expect.

Area of change	Charities Act 2009 What is being changed?	What does this mean?	What can charities expect?
<b>Registration</b>	<p>Charity Governing Document (Constitution) Section 42A</p> <p>When this section of the Act is commenced, charities will be required to seek the Charities Regulator’s approval before amending their objects clause, income and property clause, or the winding up clause in their constitution. Approval for a change to charitable purpose will also be required.</p>	<p>The Charity Regulator’s approval must be obtained <b>before</b> a charity makes any changes to these three clauses in their constitution / governing document.</p> <p>This is to avoid a charity making changes that could mean they no longer meet the legal requirements to be a charity, and put their status as a charity at risk.</p>	<p>The Charities Regulator will prepare and publish guidance and information for the charity sector before these changes are commenced by the Minister.</p> <p>Suitable online forms and instructions will be available.</p>

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<b>Registration</b>	<p>References to being a registered charity Section 46 (7)</p> <p>The Act will list what information must be published.</p>	<p>When this section is commenced by the Minister, a charity will be required to state it is a charity, provide its name (as it appears on the Register) and its charity registration number in all public documents (including television and the internet).</p> <p>Charities will need to review their current public documents and make sure those preparing or updating documents are aware of this legal requirement.</p>	<p>The Charities Regulator will prepare information and engage with the charity sector ahead of the relevant section commencing.</p>
	<p>Human Rights is being added as a charitable purpose Section 39</p>	<p>Organisations that promote the advancement of human rights may be able to register as charities. Existing charities may also seek approval to add human rights as a charitable purpose.</p>	<p>While the Act provides for the addition of human rights as a charitable purpose, it does not include a definition. The Charities Regulator will engage with the charity sector and other key stakeholders on a definition. We will then prepare and publish updated guidance documents and update the registration form which will require IT infrastructural changes.</p>

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<p><b>Definition of a charity trustee and trustees' duties and obligations</b></p>	<p>The definition of charity trustee is amended Section 3</p>	<p>A company secretary will no longer be automatically deemed a charity trustee unless they are also a director of the company.</p>	<p>Charities Regulator will prepare and publish updated guidance on the duties and legal obligations of charity trustees and engage with the charity sector before this section of the Act is commenced so trustees are aware and have time to prepare.</p>
	<p>Charities are currently required to keep the information on the Register of Charities about their charity up to date. The Amendment Act details the information trustees are legally required to provide to the Charities Regulator. Section 39 (11)</p>	<p>Charity trustees must make sure they keep the details of their charity up-to-date on the Register. These includes:</p> <ul style="list-style-type: none"> <li>• Name of charity</li> <li>• Charity trustees</li> <li>• Address of principal place of business</li> </ul> <p>Charity trustees must also notify the Regulator if they propose to wind up their charity.</p>	
	<p>For the first time, the Act states that a charity must have a minimum of three (3) trustees. Furthermore the majority of trustees must not be a connected relative and must be resident in the State, UK or European Economic Area. Section 54A</p>	<p>Charities are now required to have a minimum of three trustees on their board / committee at all times.</p> <p>Some charities may need to recruit additional trustees to meet the legal requirements regarding the make-up of their board of trustees.</p>	

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<p><b>Definition of a charity trustee and trustees' duties and obligations</b></p>	<p>The principal duties of trustees are explicitly listed in the Amendment Act. Section 54B</p>	<p>The Act will now clearly state the principal duties of charity trustees, giving greater clarity on their role in a charity. Trustees should ensure they are aware of them, and take account of relevant guidance to make sure they are fulfilling them.</p>	<p>The Charities Regulator will prepare and publish guidance in advance.</p>
	<p>Charities to keep a Register of Members. Section 54D</p>	<p>Charities must keep a record of the members of the charity. This register of members must include the name and address of each member and the date they became a member.</p> <p>The members of a charity normally means those who are entitled to attend a charity's Annual General Meetings (AGMs) or Extraordinary General Meetings (EGMs) and can vote on matters such as the approval of the charity's financial statements or a proposal to add or remove trustees of the charity.</p> <p>A charity's constitution or governing document will usually set out the role of members, who can be a member and how members can be added or removed.</p> <p>Members can be trustees, committee members, volunteers or supporters of the charity.</p>	

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<p><b>Financial regulations</b></p>	<p>New accounting regulations are being introduced and Charities' Statement of Recommended Practice (SORP). Section 48</p>	<p>All charities currently have to prepare financial statements each year. The format of the statements for charities that are companies is well known by accountants as these statements must be filed in the Companies Registration Office (CRO).</p> <p>The new accounting regulations will standardise the format of financial statements for all charities, which will make their preparation more efficient. The format will make information about a charity's finances clearer to donors, funders and others interested in a charity. This will also allow the finances of charities to be directly comparable, and improve the data that is available on the Register of Charities about the sector.</p> <p>The level of detail required in financial statements will depend on the size of the charity. Small charities will prepare simple income and expenditure accounts, medium sized charities will prepare accrual accounts, and the audit threshold will be increased for large charities. The thresholds for small, medium and large charities will be set by the Minister as part of the introduction of the accounting regulations.</p>	<p>The Charities Regulator will produce detailed guidance documents and engage with the sector and other key stakeholders, including the accounting profession, well in advance of the implementation of new accounting regulations.</p> <p>Accountants will be able to advise charities in relation to any changes that may apply to the preparation of financial statements for your charity.</p>

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<b>Agreements and Appointments</b>	Charity may enter into paid agreements with charity trustees and members in certain circumstances. Part 6A	<p>A charity may appoint an employee as a trustee.</p> <p>A charity may enter into an agreement with a trustee or member for that trustee or member to provide a service to the charity.</p>	<p>The Minister may make statutory regulations around appointments.</p> <p>Guidance will be developed and published by the Charities Regulator.</p>
<b>Annual report</b>	Section 52	The obligation to file an annual report within 10 months of the financial year end remains, but it will be called an annual return instead.	All references to annual report in Charities Regulator’s guidance, forms and website will be changed.
<b>Charities Act 1961 relating to charity services functions</b>	<p>Section 34(2) relating to the transfer of charity property for less than market value to another charity is being changed.</p> <p>Section 29(4) is repealed</p> <p>Section 53 is repealed</p> <p>Section 54 is repealed</p>	<p>The requirement that the charity receiving the property must have a different charitable purpose will no longer apply.</p> <p>A cy-près scheme framed by the High Court cannot be subsequently amended by the Charities Regulator.</p> <p>There is no longer a requirement to notify the Charities Regulator of legal proceedings in relation to a charity.</p> <p>The Charities Regulator will no longer provide a repository for deeds deposited by charity trustees.</p>	The Charities Regulator will update its website, guidance and forms to reflect the relevant changes.

**Please note:** This table is not, nor is it intended to be, a definitive statement of the proposed changes to the Charities Act and it does not constitute legal advice. The Charities Regulator accepts no responsibility or liability for any errors, inaccuracies or omissions in the table above.