

# Public Benefit and the Advancement of Moral or Ethical Belief Systems

**Draft supplementary guidance for  
consultation**

# Public Benefit and Moral or Ethical Belief Systems

## Contents

- A. Foreword
- B. Introduction
- C. Definition of a moral or ethical belief system
- D. Public Benefit – Principle 1: There must be an identifiable benefit or benefits
- E. Public Benefit – Principle 2: Benefit must be to the public, or a section of the public

## Consultation questions

## A Foreword

### **A message from the Chair and the Chief Executive of the Charity Commission to charity trustees and anyone thinking of setting up a new charity.**

#### **Dear Reader**

To be recognised in law as a charity, an organisation must have charitable aims (or 'objects') which are for the public benefit. This is known as the 'public benefit requirement'. Although all charities already have to meet this requirement, the Charities Act 2006 highlights it by explicitly including public benefit in the definition of a charitable purpose. It retains the current law on public benefit but creates a new level playing field by requiring all charities to demonstrate, explicitly, that their objects are for the public benefit; previously the law presumed this to be the case for charities which advance education or religion or relieve poverty.

The Charities Act 2006 set out 13 descriptions of charitable purposes including the advancement of religion. During the passage of the Charities Bill, Parliament declined to add the words "*or belief*" to the charitable heading 'the advancement of religion' but recognised that advancing a non-religious belief system can be charitable on other grounds.

Although non-religious belief systems were not included alongside the advancement of religion, Parliament nevertheless sought assurances from the Charity Commission that non-religious belief systems would be given equal treatment to religious belief systems with regard to the public benefit provisions in the Charities Act. Therefore we are issuing separate guidance on the public benefit of non-religious belief systems.

A non-religious belief system is one that is in some ways akin to a religion but which does not meet all of the suggested characteristics of a religious belief system as set out in our separate draft supplementary guidance, *Public Benefit and the Advancement of Religion*. We do not think that non-religious belief system is the best expression as it does not seem correct to describe what we are talking about in the negative or by something they are not. Therefore, in this draft supplementary guidance, we have used the term 'moral or ethical belief systems'.

Our guidance *Charities and Public Benefit* explains in general terms what the public benefit requirement means. This draft supplementary guidance is for trustees of charities, or anyone thinking of setting up a charity, for the advancement of a charitable moral or ethical belief system.

**Dame Suzi Leather Chair**

**Andrew Hind Chief Executive**

## B INTRODUCTION

### B1. What is this draft supplementary guidance about?

This draft supplementary guidance is about how the principles of public benefit, set out in our general public benefit guidance *Charities and Public Benefit*, relate specifically to charities concerned with the advancement of moral or ethical belief systems. It explains what these charities need to consider in order to meet the public benefit requirement. When published it will form part of the Commission's statutory guidance in this area, to which trustees must by law have regard.

### B2 The 'public benefit requirement'



All charities must have charitable purposes or 'aims' that are for the public benefit. This is known as the 'public benefit requirement'.

Although all charities already have to meet this requirement, the Charities Act 2006 highlights it by requiring all charities to demonstrate, explicitly, that their aims are for the public benefit, including charities advancing education or religion or relieving poverty which were previously presumed to be for the public benefit. The Charity Commission has to ensure all charities meet the public benefit requirement and provide guidance on what the requirement means. Charity trustees are required to have regard to the Commission's public benefit guidance and to report on their charity's public benefit.

### B3 Charitable Purposes



Charitable purposes (or aims) are those that fall within the various descriptions of charitable purposes in the Charities Act 2006, set out below, and any new charitable purposes that might be recognised in the future.

- a) the prevention or relief of poverty;
- b) the advancement of education;
- c) the advancement of religion;
- d) the advancement of health or the saving of lives;
- e) the advancement of citizenship or community development;
- f) the advancement of the arts, culture, heritage or science;
- g) the advancement of amateur sport;

- h) the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- i) the advancement of environmental protection or improvement;
- j) the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- k) the advancement of animal welfare;
- l) the promotion of the efficiency of the armed forces of the Crown, or of the efficiency of the police, fire and rescue services or ambulance services;
- m) other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

You can find out more about charitable purposes in our *Commentary on the Descriptions of Charitable Purposes in the Charities Act* on our website.

## B4 The principles of public benefit

### L

There are two key principles of public benefit and, within each principle, there are some important factors that must be considered in all cases. These are:

#### **Principle 1: There must be an identifiable benefit or benefits**

- 1a It must be clear what the benefits are
- 1b The benefits must be related to the aims
- 1c Benefits must be balanced against any detriment or harm

#### **Principle 2: Benefit must be to the public, or section of the public**

- 2a The beneficiaries must be appropriate to the aims
- 2b Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted:
  - by geographical or other restrictions; or
  - by ability to pay any fees charged
- 2c People in poverty must not be excluded from the opportunity to benefit
- 2d Any private benefits must be incidental

These key principles of public benefit are explained more fully in our general public benefit guidance, *Charities and Public Benefit*.

To accompany that guidance we have also published an *Analysis of the law underpinning Charities and Public Benefit*, which explains the legal underpinning for the principles of public benefit set out in *Charities and Public Benefit*.

We have also published a summary, *Charities and Public Benefit: Summary Guidance for Charity Trustees*.

All of these publications can be found on our website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk) under 'About Charities' – 'Public Benefit'. Hard copies are available by calling *Charity Commission Direct* on 0845 300 0218.

## B5. Reporting on public benefit



Charity trustees have a new duty to report in their Trustees' Annual Report on their charity's public benefit. The level of detail trustees will need to provide in their public benefit report will depend on whether their charity is above or below the audit threshold. An audit is required when a charity's gross income in the year exceeds £500,000, or where income exceeds £100,000 and the aggregate value of its assets exceeds £2.8 million. Most charities already explain their activities in their Trustees' Annual Report. This information now needs to be set in the context of the charity's aims to show how in practice the aims have been carried out for the public benefit.

**For smaller charities**, below the audit threshold, trustees are required to include a brief summary in their Trustees' Annual Report of the main activities undertaken in order to carry out the charity's aims for the public benefit. The statement should also confirm that the trustees have had regard to our public benefit guidance where relevant. Trustees can, of course, provide fuller public benefit statements if they wish.

**For larger charities**, above the audit threshold, trustees are required to provide a fuller explanation in their Trustees' Annual Report of the significant activities undertaken in order to carry out the charity's aims for the public benefit, as well as their aims and strategies. They are required to explain the charity's achievements, measured by reference to the charity's aims and to the objectives set by the trustees. It is up to the charity's trustees to decide how much detail they want to provide to clearly illustrate what their charity has done in the reporting year to meet the requirement; we will not be prescriptive about the number of words or pages needed. But a charity that said nothing on public benefit in its Trustees' Annual Report, or produced only the briefest statement with no detail, would be in breach of the public benefit reporting requirement.

## B6. Assessing public benefit

We will assess whether the aims of all organisations applying to register as charities are for the public benefit. Charities that are already registered have to continue to meet the public benefit requirement. We will do this by carrying out research studies on the extent to which different types of charity are meeting the requirement and by working with representative professional and umbrella bodies and with users of those charities.

In some cases we might need to carry out detailed assessment of individual charities. Where that needs to happen we will advise the trustees, where necessary, on what needs to change in order to meet the public benefit requirement, and give clear reasons and advice on what happens next where it is not possible for the organisation to meet the requirement.

In some cases we might ask the trustees to change the way in which they are carrying out their charity's aims in order to meet the public benefit requirement; sometimes, it will be because the trustees are acting in breach of trust. Therefore, in this draft supplementary guidance, where we indicate that trustees might be asked, in certain circumstances, to show a link between their activities and their charity's aims, or to explain why they are carrying out their charity's aims in a particular way, this might be required either to show that they are carrying out their charity's aims for the public benefit or to show that they are not acting in breach of trust.

No charity will be expected to make changes overnight and we will take reasonable account of how much time and resources might be needed by a charity that needs to make changes in order to meet the requirement. A charity or anyone affected by one of our public benefit decisions, that disagrees with it, can seek a review of that decision using our internal decision review procedures. They can make a further appeal to the new Charity Tribunal and, ultimately, to the courts, if they consider it necessary and if it concerns a decision that can be appealed. However, by working constructively with charity trustees and undertaking extensive public consultation on our public benefit guidance, we would hope such circumstances would be rare.

## B7. Using this draft supplementary guidance



Charity trustees are not legally required to follow this guidance but they must have regard to it when it is relevant for their charity. As with all the Charity Commission's published guidance, that means they should be able to show that:

- they are aware of the guidance;
- in making a decision where the guidance is relevant, they have taken it into account; and
- if they have decided to depart from the guidance, they have good reasons for doing so.

As explained in section **B9** below, we indicate in this draft supplementary guidance where there is a specific legal or regulatory requirement that trustees must comply with, and where guidance is suggested as minimum good practice, but for which there is no specific legal requirement. However, the Charities Act has introduced a new statutory duty for trustees to have regard to guidance we publish on public benefit. The guidance contained in Sections **D** and **E** form part of our statutory guidance on public benefit.

**Section C** explains what we mean by the term ‘moral or ethical belief systems’ and what it means to advance moral or ethical belief systems in a way that is charitable.

**Section D** explains how public benefit principle 1: there must be an identifiable benefit or benefits, applies to charities for the advancement of moral or ethical belief systems.

**Section E** explains how public benefit principle 2: benefit must be to the public, or a section of the public, applies specifically to charities for the advancement of moral or ethical belief systems.

Our *Analysis of the law underpinning Public Benefit and Moral or Ethical Belief Systems*, the legal underpinning for this draft supplementary guidance, can be found on our website.

## **B8** ‘Must’ and ‘should’: what we mean

In this booklet, where we use ‘**must**’, we mean it is a specific legal or regulatory requirement affecting trustees or a charity. Trustees must comply with these requirements. To help you easily identify those sections that contain a legal or regulatory requirement we have used the **L** symbol next to that section.

We use ‘**should**’ for items we regard as minimum good practice, but for which there is no specific legal requirement. Trustees should follow the good practice guidance unless there is a good reason not to.

## **B9.** Some technical terms used

The following terms are used throughout this booklet, and should be interpreted as having the specific meanings given below.

**The Charities Act:** the Charities Act 1993 as amended by the Charities Act 2006

**Activities:** we use this term when talking about what organisations do in order to carry out their aims.

**Aims:** in this guidance we use this term to mean the purposes of an individual organisation. It is important to be able to distinguish clearly between an individual organisation's purposes and charitable purposes in general. We have therefore used the term 'aims' as shorthand for the purposes of an individual charity or of an organisation applying for registration as a charity.

**Beneficiary or Beneficiaries:** the people an organisation's aims are intended to benefit. For charities advancing a moral or ethical belief system, beneficiaries include followers, adherents or members, potential followers, adherents or members and the wider public.

**Charitable purpose(s):** in this guidance we use this term specifically when talking about the charitable purposes included in the list of descriptions of charitable purposes in the Charities Act.

**Governing document:** a legal document setting out the charity's aims and, usually, how it is to be administered. It may be a trust deed, constitution, memorandum and articles of association, will, conveyance, Royal Charter, Scheme of the Charity Commission, or other formal document.

**Objects:** an organisation's aims (or purposes) are usually expressed in the 'objects clause' of its governing document. However, not all charities have a governing document with an objects clause, and sometimes the objects clause does not adequately or fully express the organisation's aims. There is therefore a distinction between an organisation's aims and the words that appear in its objects clause.

**Private benefit:** we use this term to mean any benefits that a person or organisation receives other than as a beneficiary of a charity. It does not, therefore, include the sorts of personal benefits people receive as a beneficiary, such as being a follower or an adherent of a religion.

**Public benefit reporting requirement:** this means the statutory requirement for charity trustees to report in their Trustees' Annual Report on their charity's public benefit.

**SORP:** The Statement of Recommended Practice, issued in March 2005 which sets out the recommended practice for the purpose of preparing the Trustees' Annual Report and accounts of a charity on an accruals basis. The accounting recommendations of the SORP do not apply to charities preparing receipts and payments accounts, which are non-company charities whose gross income does not exceed £100,000.

**Statutory guidance on public benefit:** this is the guidance on public benefit that the Charity Commission is required to produce under section 4 of the Charities Act.

**The Charity Tribunal:** the Charity Tribunal, established by the Charities Act, is the first level of appeal against legal decisions of the Charity Commission.

**The public generally:** the public in general; the rest of the public not covered by a defined class of beneficiaries.

**Trustees:** the people who serve on the governing body of a charity. They may be known as Trustees, Directors, Board Members, Governors or Committee Members, Church Council members, Elders or Management Committee Members. Charity trustees are responsible for the general control and management of the administration of a charity.

## C Charitable Moral or Ethical Belief Systems

### C1 What do we mean by the term 'moral or ethical belief systems'?

A moral or ethical belief system sets out a way of living and interacting, in a beneficial way, with other people.

A moral or ethical belief system is, in some ways, akin to a religion but does not meet all of our suggested characteristics of a religion as set out in our separate draft supplementary guidance *Public Benefit and the Advancement of Religion*.

In that guidance we suggest that the following factors are relevant in considering whether or not a particular belief system is a religion;

- what do followers, adherents or members believe in? (they must believe in a 'supreme being or entity' ie something that has the attributes of either a personal creator god or gods, a supreme being, or a divine or transcendental being, entity or principle);
- what degree of cogency, coherence, seriousness and importance does the belief system have?
- do followers, adherents or members worship or have reverence or respect for, or have a connection with, the 'supreme being or entity'? (the process in which followers, adherents or members take part in acts or practices expressing their belief in the 'supreme being or entity' by showing reverence for, or veneration of, the personal or non-personal 'supreme being or entity' is often called 'worship', but different religions use other concepts. Reverence and veneration are characterised by qualities including deep respect, homage, adoration, devotion, obeisance, submission, prayer and meditation)
- what is the nature of the relationship between the believer and the 'supreme being or entity'? (this relationship with the 'supreme being or entity' is usually spiritual in nature, characterised by feelings of connectedness or unity with a force or power that is greater than the self, which is apart from the self but which may also exist within. It is this feeling of connectedness or unity that followers, adherents or members regard as sacred and revered. It may also instil in followers, adherents or members feelings of self-worth which might motivate or be expressed through the quality of life they lead and meaningful and purposeful activity, especially that which involves helping others and inspiring others to do likewise)

Although some of the characteristics of a religious belief system might also be shared by moral or ethical belief systems, the essential difference between them is that moral or ethical belief systems would

lack the element of worship or reverence and veneration of a 'supreme being or entity' found in a religious belief system characterised by qualities including deep respect, homage, adoration, devotion, obeisance, submission, prayer and meditation.

A moral or ethical belief system could be a system or code of living which may or may not have a belief in a 'supreme being or entity'. Where it does have such a belief, it would not involve worship or reverence and veneration of that 'supreme being or entity'.

Organisations that advance moral or ethical belief systems might include those dealing with:

- the holding of philosophical convictions;
- spirituality;
- seeking to raise consciousness to some higher level of appreciation or understanding

#### Consultation Questions

- Q1 Do you have any comments on our description of a charitable moral or ethical belief system?
- Q2 Do you think that 'moral or ethical belief system' is the appropriate term to use? If not, can you suggest an alternative?
- Q3 Do you agree with our view that a moral or ethical belief system defines how a person lives their life?
- Q4 Is the term 'follower or adherent' the appropriate way to refer to someone who holds or subscribes to a moral or ethical belief system? If not, can you suggest an alternative?

#### C2 What charitable purpose can a moral or ethical belief system advance?

The promotion or advancement of a moral or ethical belief system is not specified in any of the first 12 descriptions of charitable purposes listed in the Charities Act 2006.

Such promotion will normally fall under the 13<sup>th</sup> description. The advancement of a moral or ethical belief system may, however, be charitable as furthering any one or more of a variety of charitable purposes.

Examples of charitable purposes that can be furthered by the advancement of a moral or ethical belief system include:

the advancement of education – advancing a moral or ethical belief system may, for example, be directed to promoting in an uncontroversial way generally accepted values relating to the spiritual, moral, cultural, mental and physical development of pupils at schools and of society more generally; and to preparing pupils for the opportunities, responsibilities and experiences in later life.

- the advancement of health – this might be promoted by yoga and other practices addressing aspects of human behaviour and mind-body-spirit balance. It might also include spiritual healing (which does not require faith in a religious belief).
- the promotion of the moral or spiritual welfare or improvement of the community – this is a firmly established description of a charitable purpose in its own right and just as ‘charitable’ as the advancement of education or health or any other charitable purpose such as the advancement of religion.

### C3 What is a charitable moral or ethical belief system?

For a belief system to be charitable for the public benefit there would always have to be an ethical or moral code underpinning it. Although spirituality might be an important feature of a belief system, advancing spirituality on its own, or just having spiritual beliefs with no moral or ethical code to support it, would not be enough in itself to meet the public benefit requirement. This is consistent with the line we have taken in *Public Benefit and the Advancement of Religion*.

European Convention on Human Rights (ECHR) case-law has defined ‘beliefs’ as “*more than just mere opinions or deeply held feelings*” which involve “*the holding of spiritual or philosophical convictions which have an identifiable formal content*”. We would expect a charitable moral or ethical belief system to share these characteristics. This means we would expect it to involve something relating to an important aspect of human life which is “*compatible with human dignity, serious, important*” as well as being “*cogent and coherent*” or to have “*a certain level of cogency, seriousness, cohesion and importance*”.

We would suggest that, to be charitable, a moral or ethical belief system must feature the following characteristics:

- it comprises a coherent and distinct set of spiritual, moral or philosophical convictions underpinned by a moral and ethical code which is capable of impacting on society in a beneficial way;
- it is, in principle, capable of being accepted and applied by the public at large as a philosophy for living their daily lives or as a way of achieving heightened or special awareness, in each case

- directly affecting, in a beneficial way, how individuals interact with others;
- it is something by which a follower or adherent defines their life and convictions;
- it is generally accessible to, and applicable within, the community, according to individual choice and judgement;
- it has the capacity for application or adoption so that improved moral or spiritual welfare of the community might result.

#### Consultation Question

**Q5** Do you have any comment on this list of characteristics for a charitable moral or ethical belief system? Are there any other characteristics that you think should be included?

All charitable organisations which advance a particular moral or ethical belief system should define that belief system in their objects with a sufficient degree of clarity and certainty and must be able to show that it is, and will be, advanced for the public benefit.

Charitable organisations for the advancement of a moral or ethical belief system are encouraged to be open and transparent about views their followers, adherents or members might hold which could be regarded by other people as discriminatory. This is not to say that these views cannot be held, but that organisations should be open about them so that members of the public are able to make an informed choice about whether they wish to join or support those organisations

#### **C4 Advancing a charitable moral or ethical belief system**

To be charitable, a moral or ethical belief system must be advanced or promoted for the public benefit. Simply having a moral or ethical belief is not the same as advancing such a belief for the public benefit; nor is simply being a person with a moral or ethical belief.

For example, a closed community advancing a moral or ethical belief system that does not interact with the wider community, and so is not able to promote, sustain and increase belief in the moral or ethical belief system within that wider community, would not be charitable as it could not meet the public benefit requirement.

Not everything that is done in the name of a moral or ethical belief system will necessarily be actually advancing it for the public benefit.

In general to 'advance' a moral or ethical belief system means to promote, sustain and increase belief in it. This is the same principle that applies to a religion.

'Advancing' a moral or ethical belief system can be concerned with seeking new followers, adherents or members, but this is not a necessary feature of such belief systems.

#### Consultation question

- Q6 Are you able to provide examples of moral or ethical belief systems which do seek followers, adherents or members? If so, please provide details
- Q7 Do you know of any examples of moral or ethical belief systems into which followers, adherents or members must be born and into which it is not possible to convert? If so, please provide details.

The moral or ethical belief system must not simply be for the benefit of the followers of the particular doctrines, practices or beliefs or the organisations themselves. It should be outward looking and available to all members of the public.

Where the practice of an organisation is essentially private, or is limited to a private class of individuals not extending to the public generally, the public benefit requirement will not be met.

Advancing a charitable moral or ethical belief system should not be used as a platform for promoting the personal and/or political views or beliefs of the founder or founders of the belief system where those views do not form part of the organisation's charitable aims.

Advancing a moral or ethical belief system does not mean advancing a political purpose in the name of that moral or ethical belief system, nor does it mean advancing a particular viewpoint which is held by a follower or adherent of a moral or ethical belief system or which perhaps refers to extracts from the doctrines, teachings or tenets of a moral or ethical belief system which serve to promote that viewpoint.

For example, a moral or ethical belief system may have been founded by someone who holds particularly strong opinions on global warming. The organisation advocates a particular 'green' lifestyle which, it claims, will help reduce the effects of global warming. It also calls for the abolition of all 4x4 vehicles in urban and suburban areas, increase in petrol/diesel prices and the closing down of low-cost air travel. Such measures would not be a charitable way of promoting a moral or ethical belief system.

Members of some organisations that advance a moral or ethical belief system promote their lifestyle and convictions by living communally. This can be charitable where the community is an open one and where any private benefits derived by the members living as part of the

community do not outweigh the benefit to the public. See section E5 below.

The following may comprise elements of the many different ways in which organisations can advance a moral or ethical belief system in a way that is for the public benefit:

**Facilitating ceremonies and meetings:**

- the conduct of ceremonies such as naming ceremonies, the celebration of marriage or partnership; burials; celebration of life etc;
- the provision and maintenance of buildings used for ceremonies, meetings; spiritual contemplation, and instruction; ‘passive’ advancement meaning leaving such buildings open for people to enter and benefit from personal spiritual contemplation;
- the maintenance of non-religious burial sites;
- the provision and maintenance of sacred or devotional artefacts and items used in ceremonies, rituals or practices.

**Raising awareness and understanding of the beliefs and practices of a moral or ethical belief system including:**

- producing and promoting teachings about the moral or ethical belief system including books, tracts, films and other information for the public;
- promoting the study of the beliefs and practices of a moral or ethical belief system;
- providing or supporting schools and educational establishments which provide education in accordance with the principles and practices of a moral or ethical belief system;
- support for the office holders responsible for conducting ceremonies or carrying out the teachings of a moral or ethical belief system.

**Devotional acts including;**

- visiting the sick;
- sitting with a deceased person’s body prior to burial or cremation so that it is not left unattended.

**Outreach work including:**

- the support of followers, adherents or members of a moral or ethical belief system who are in prison, hospital, university or working in industry by the provision of moral or spiritual guidance;
- community work including assisting vulnerable members of the community, making the moral or ethical belief system’s facilities available for cultural and community activities.

## Communication

- meetings for followers and adherents;
- talks, seminars and conferences;
- television and radio broadcasts;
- provision of material via the internet;
- street and door-to-door communications.

## Retreat and pilgrimage including:

- provision of property for retreat or organising the holding of long or short stay retreats; where the people who attend return to society to practise the moral or ethical belief system;
- organising trips to sacred sites.

## Consultation Question

Q8 Do you agree with our examples of when a moral or ethical belief system can be said to be advanced? If not, please say what you do not agree with, and why.

Q9 Are there any other examples of ways in which a charitable moral or ethical belief system might be advanced?

Whatever way trustees choose to advance a moral or ethical belief system, the activity must, in a clearly demonstrable way, be an expression of the advancement of the particular moral or ethical belief system and be distinguishable from similar work not directed to such advancement.

For example, activities such as caring for the sick, or housing homeless persons, undertaken for other purposes, although beneficial and often charitable in themselves, would not form part of the public benefit requirement for an organisation advancing a moral or ethical belief system unless undertaken as a specific obligation of that moral or ethical belief system.

## Consultation Question

Q10 How can the advancement of a moral or ethical belief system by community work be more clearly distinguished from social work of a similar kind but which has no connection with a moral or ethical belief system?

**C5 What will not be covered by the suggested characteristics of a moral or ethical belief system?**

We think that advancing or promoting a particular moral or ethical issue is not the same as advancing a moral or ethical belief system. A

person may have or hold a belief about a particular issue upon which they may take a particular stance. They might believe passionately in this issue but, unlike a religion or a moral or ethical belief system, it is not necessarily something by which a person would define their life and convictions as a whole.

We think one of the things that characterises a moral or ethical belief system is that a follower or adherent would define their life and convictions as such, eg a Humanist. Although the same might be said of someone who has a strong belief or allegiance to a particular ethical or moral issue, (such as an environmentalist or a vegan) having a strong belief in an ethical or moral issue does not, we think, amount to being a follower or adherent of a moral or ethical belief system that is a philosophy for daily living and interacting with other people as defined in section C3 above.

However, this is not to say that organisations advancing such moral or ethical issues cannot be charitable. Provided they are outward facing, and the public benefit is demonstrable, they might be charitable as furthering a charitable purpose such as:

- advancing health;
- environmental protection or improvement;
- advancing education;
- advancing the moral or spiritual welfare of the community.

Whilst there can be a moral or ethical basis for these types of issues, we do not think advancing them amounts to them being a moral or ethical belief system as defined at section C3.

Examples of movements, doctrines or systems of belief that would not feature the characteristics of a charitable moral or ethical belief system set out in section C3 above include:

- theism/atheism
- political doctrines such as socialism, conservatism, Marxism
- logical positivism
- environmentalism
- veganism/vegetarianism
- pacifism

Such systems would not be considered to be charitable moral or ethical belief systems as, whilst they may inspire deep passions in people, they do not contain, within the structure of the system, a specific and formal code of conduct for how to live life, or for interaction with other people.

All charities must abide by Charity Commission guidelines on political activities and must not be concerned with, for example, getting into power or changing the law. This is because a charity cannot have a political purpose.

Organisations with a political purpose (which means any purpose directed at furthering the interests of any political party; or securing, or opposing, any change in the law or in the policy or decision of central government, local authorities or other public bodies, whether in this country or abroad) cannot be charitable. So whilst such organisations may be based on a moral or ethical code, they are not charities because they are established for political, and not charitable, purposes.

A charity cannot have the pursuit of political activity as any of its main purposes since it does not fall within the descriptions of charitable purposes set out in the Charities Act. However, the range of charitable purposes under which an organisation can register as a charity means that, inevitably, there are some purposes (such as the promotion of human rights) which are more likely than others to lead trustees to want to engage in campaigning and political activity.

This will be acceptable where a charity is engaging in campaigning or political activity solely in order to further or support its charitable purposes and there is reasonable likelihood of it being effective. The extent to which charities can become involved in campaigning and political activity is fully explained in our publication *Speaking Out – Guidance on Campaigning and Political Activity by Charities (CC9)*

## C6 Belief systems, philosophical convictions and the European Convention on Human Rights

The right of individuals and organisations to freedom of thought, conscience and religion is protected in law under Article 9 of the European Convention on Human Rights (ECHR) – see the Human Rights Act 1998. This right to hold, or adhere to, or change a religion or belief is unqualified. There is also a right to manifest those beliefs subject to legal restriction which may be necessary to protect the general health, morality and order of society.

Human rights laws are capable, in some circumstances, of limiting the right to manifest a religion or belief. Charity law also has definite limitations. Only those organisations advancing a belief that are able to demonstrate that their aims are for the public benefit can be recognised as charities.

Under the ECHR, ‘beliefs’ must involve “*a holding of spiritual or philosophical convictions which have an “identifiable formal content” and “must have a certain level of cogency, seriousness, cohesion and importance”*. The holding of philosophical convictions which have an identifiable formal content and require a certain level of cogency etc may be charitable under the 13<sup>th</sup> charitable description in the Charities Act, “other purposes currently recognised as charitable ...” if they

involve the promotion of the moral or spiritual welfare or improvement of the community.

## D Public Benefit – Principle 1: There must be an identifiable benefit or benefits

### D1. Important factors to consider



The following are important factors to consider when deciding whether an organisation's aims meet the 'benefit' principle of the public benefit requirement:

Principle 1a it must be clear what the benefits are

Principle 1b the benefits must be related to the aims

Principle 1c benefits must be balanced against any detriment or harm

### D2 Principle 1a: It must be clear what the benefits are



To be charitable for the public benefit, all organisations advancing a moral or ethical belief system must be able to show that it is capable of impacting on society in a beneficial way. When advancing a charitable moral or ethical belief system it must be clear what the core beliefs and practices are that the organisation is advancing and what benefits these provide to the public or to a sufficient section of the public. Therefore, the organisation's core practices and doctrines need to be identified and the benefits arising from these practices and doctrines must be both identifiable and demonstrable.

It is not relevant whether or not the substance of a moral or ethical belief system's teachings or doctrines can be proven to be 'true'. However, whether the aims of an organisation advancing a moral or ethical belief system are for the public benefit is a question of judgement based on factual evidence. The Charity Commission, or the Charity Tribunal or the courts, have to decide whether there is public benefit in the light of the evidence and facts before them.

As with other charitable purposes, if it is not possible to show evidence of a benefit, then the law cannot take account of it in assessing public benefit.

Charities promoting moral or ethical belief systems will usually have to demonstrate social impact by reference to welfare or improvement and have a high moral code or content. It is likely that, for moral or spiritual welfare or improvement to be shown, a moral or ethical belief system would have to share some characteristics with the beliefs attracting the protection of article 9 of the European Convention on Human Rights: ie to

have some identifiable formal content and require a certain level of cogency, seriousness, cohesion and importance.

For example, where people are encouraged to conduct themselves as responsible members of society, this may lead to less crime or result in personal behaviours which accord with social norms or more active citizenship such as charitable giving or volunteering or involvement in local community projects or promoting community cohesion.

In some cases the benefits will be clear, tangible and easy to describe. Whilst we are not saying that any public benefit assessment would only take account of tangible, practical benefits, all benefits to the public should be capable of being recognised, identified, defined or described.

Another issue which might arise when assessing whether the benefit is clear is the extent to which an organisation advancing a moral or ethical belief system may campaign on social and moral issues. Organisations advancing a moral or ethical belief system, like other charities, may, under charity law, engage in political activities and campaigning, provided this is in support of their charitable purposes. Where the benefits of a moral or ethical belief system are centred on the promotion of an ethical or moral code and responsible behaviour, then organisations advancing such moral or ethical belief systems may, in principle, be able to campaign on a potentially wide range of ethical, moral and social issues. Further guidance on this is contained in our publication *Speaking out – Campaigning and Political Activity by Charities (CC9)*.

Where there is sufficient evidence of benefit to society, the following are examples of the ways in which advancing a moral or ethical belief system has the potential to be for the public benefit:

- the provision of an ethical or moral code in society;
- the provision of sacred or dedicated spaces;
- the provision of meeting places for followers and adherents;
- the provision of public rituals and ceremonies;
- contribution to spiritual well-being;
- contribution to the spiritual and moral education of children;
- contribution towards promoting social cohesion;
- outreach work expressing, in practical ways, the ethical or moral teaching and contributing to addressing social needs and the furthering of other charitable purposes;
- contribution to followers' or adherents' good mental and physical health; aiding the prevention of ill-health, speeding recovery and fostering composure in the face of ill-health;
- the inspiration a moral or ethical belief system can provide to others.

## Consultation Question

**Q11** Do you find this list relevant and helpful? Are there other examples of ways in which it can be shown that the advancement of a moral or ethical belief system is for the public benefit? If so, what are they?

We are aware that these benefits are not unique to moral or ethical belief systems and may appear in other charitable purposes, such as animal welfare, protection of the environment or of historic buildings, education, elevation of public taste in art or music, mental and moral improvement, promoting patriotism.

It will not be sufficient simply to say that a moral or ethical belief system is not immoral or is not of any harm for it to be concluded that it is for the public benefit.

Where an organisation confines itself to promoting only one or two aspects of a moral or ethical belief system there may be difficulties (depending upon what is being promoted) in showing that the promotion of such a limited aspect of the belief system results in an identifiable public benefit (particularly if part of what is being promoted would not be generally accepted as beneficial) There may also be concerns about what the real aim of the organisation is. This would be because only promoting one or two aspects of a moral or ethical belief system might amount to promoting the particular views of the founder or founders of the charity, rather than advancing a moral or ethical belief system. The promotion of a person's particular point of view is not a charitable purpose.

### D3 Principle 1b: the benefits must be related to the aims

Where an organisation is set up for the general promotion of a body of teaching, in order to meet the public benefit requirement it will be necessary to establish that the core tenets, doctrines and practices are beneficial and essentially public in character.

All charities must act within their aims which are usually set out in the objects clause of their governing document. In assessing public benefit, we will take into account any benefits that arise from carrying out those aims but it is only the benefits which arise as a result of pursuing those aims that will be taken into consideration.

Some charities might carry out some unrelated activities which are not connected to achieving their charitable aims. Any benefits arising from such activities would not count against any assessment of the charity's aims.

Every aim must be for the public benefit. Therefore, if a charity has more than one aim, each aim must be for the public benefit. The public benefit shown by one or more of their aims cannot be used to 'off-set' any aims or aims which lack public benefit.

#### Consultation Question

Q12 Are organisations for the advancement of moral or ethical belief systems likely to have any difficulty in demonstrating that the benefits they provide are related to their aims?

### D4 Principle 1c: Benefits must be balanced against any detriment or harm

In *Charities and Public Benefit*, examples of things that might be considered to be detrimental or harmful include:

- something that is dangerous or damaging to mental or physical health;
- something that encourages or promotes violence or hatred towards others;
- unlawfully restricting a person's freedom.

It also states that no organisation that has aims that are illegal, or that intentionally deceives or misrepresents its aims and so is a sham, can be a charity.

Where a particular practice or doctrine of a moral or ethical belief system includes something contrary to the law of England and Wales or is in contravention of public policy, public benefit cannot be established and the organisation advancing it will not be a charity even though public benefit might be otherwise established from the sum total of the practices and doctrines.

In the same way that public benefit must be capable of being demonstrated, so must detriment or harm where this is an issue.

For example, we recognise that, in many areas, opinions can be divided. The fact that some members of society do not agree with a particular moral or ethical belief system does not in itself mean that the aims of the organisation advancing it will not be for the public benefit. However, where there are public concerns based on evidence of detriment or harm then, as with detriment or harm generally, this would be taken into consideration in any public benefit assessment.

In assessing the public benefit of organisations advancing moral or ethical belief systems, we will consider any evidence of significant detrimental or harmful effects of the organisation carrying out its aims in its particular circumstances. Disagreement with the beliefs, activities or practices of a moral or ethical belief system does not constitute 'proof' of detriment or harm.

Some activities, or the ways some practices are promoted, might have a negative effect on public benefit. Where there are one or two particular doctrines or practices which could produce social or personal harm, the Charity Commission might insist on evidence of the public benefit of promoting the particular practice or doctrine. We will also balance the potential harm against the overall public benefit otherwise established. In some cases detriment or harm might arise not from general concerns about the nature of the moral or ethical belief system, but from the abuse or misuse of its teachings due to misinterpretation, misapplication or perversion of some of the narratives and/or doctrines and teachings of the moral or ethical belief system. In other cases, detriment or harm might arise as a result of the way in which a particular moral or ethical belief system is practised. In such cases, for the organisation's aims to be for the public benefit, we would have to be satisfied that either:

- any potential detriment or harm is outweighed by the benefits; or
- there is evidence of the public benefit of promoting the particular practice or doctrine.

### Dangerous or damaging to mental or physical health

Public benefit can be called into question where there is evidence that the way in which a particular organisation advances a moral or ethical belief system can be damaging to a person's mental or physical health, for

example because of the techniques that it uses or because of the lifestyle it promotes.

### Encouraging or promoting violence or hatred towards others

The law will not be drawn into the truth or otherwise of the narratives or doctrines of a moral or ethical belief system.

Whilst an organisation advancing a moral or ethical belief system might denounce practices or behaviours which others in society believe are acceptable or positive, this would not necessarily mean that it is not for the public benefit. However, public benefit will be affected in the case of any organisation advancing a moral or ethical belief system which promotes hatred or violence or criminal acts towards others.

If the way in which a moral or ethical belief system is advanced resulted in a threat to public order or other harmful outcomes, we would need to assess the detriment or harm and whether the positive aspects of the moral or ethical belief system could outweigh the negative or detrimental aspects.

Another area of difficulty is where people hold certain adverse views about other people of a different ethnic background or different beliefs to their own. It is one thing to hold these views but it is quite another actively to promote those views where they could cause harm. It is a question of balancing the right to hold views and the responsibility to respect everyone in society. Consideration would be given to what effect promoting those views would have on the community. Would it promote harm to certain persons in the community, for example?

### Unlawfully restricting a person's freedom

Some organisations advancing a moral or ethical belief system may encourage their followers, adherents or members to live together in a community. Provided that members of the community are free to exercise personal choice as to whether they are at liberty to leave the community without intimidation or threat of repercussions, then public benefit will not be an issue on that ground.

The freedom to exercise personal choice is not just an issue that applies to such communities. To be for the public benefit, charities advancing a moral or ethical belief system must not unlawfully restrict the freedom of their followers, adherents or members to exercise this personal choice.

#### Consultation question

Q13 Do you know of any moral or ethical belief systems which require their followers, adherents or members to live together in communities? If so, please provide details.

## Illegality

In *Charities and Public Benefit* we explain that no organisation that has aims that are illegal can be a charity.

As recognised charities in England and Wales are subject to the jurisdiction of the High Court, this means that their aims cannot be illegal under the law of England and Wales.

For example, polygamy is not legal in England and Wales but may be, or is, legal in some other countries.

However, the law of England and Wales is not universal. So some organisations which are recognised as charities in England and Wales might have aims that are illegal in another country, or might be carried out in a way that is illegal in another country.

In our separate guidance, *Charities Working Internationally*, we say: “*In cases where there is a risk that an activity contemplated by the trustees in a foreign country will be subject to local legal challenge, the trustees should assess the extent of the risk that they would be running and the extent to which that risk could be removed or reduced. In these situations, the trustees should consider extremely carefully what course of action will be in the best interests of the charity using both their knowledge of local conditions and the needs of their beneficiaries. They would need to take appropriate legal and other advice. Finally they should balance the benefits of carrying out that activity against the dangers and disadvantages, including the potential human, financial and reputational cost, of doing so.*”

### Consultation question

Q14 Do you have any comments on our suggested approach towards charities undertaking activities in a foreign country which might be subject to local legal challenge?

However, where a charity's actions give rise to detriment or harm then public benefit might be affected. Detriment or harm can occur where the carrying out of the charity's aims in a country where it is illegal to do so might:

- expose the charity's staff and volunteers to harm, including risks to their personal safety or liberty – for example where staff or volunteers are exposed to risks of arrest and imprisonment;
- stir up conflict within the country they are working in, possibly endangering the lives of their proposed beneficiaries – for example, disseminating literature in a country where that would further inflame existing conflicts; or

- have possible repercussions which could impact on international relations – for example, where the actions of the charity working in a particular country could possibly damage diplomatic or economic relations between the United Kingdom and that country or even threaten national security within the United Kingdom.

## E Public Benefit – Principle 2: benefit must be to the public or a sufficient section of the public

### E1 Important factors to consider

The following are important factors to consider when deciding whether an organisation's aims meet the 'public' principle of the public benefit requirement:

Principle 2a: the beneficiaries must be appropriate to the aims

Principle 2b: where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted:

- by geographical or other restrictions; or
- by ability to pay any fees charged

Principle 2c: people in poverty must not be excluded from the opportunity to benefit

Principle 2d: any private benefits must be incidental

To be recognised as charitable all charities set up to advance a belief system have to demonstrate that their purposes are for the **public** benefit. This means it would not be sufficient for any such organisation to show that it is set up simply for the benefit of the followers, adherents or members of the moral or ethical belief system themselves. There must be identifiable benefit or benefits to the public or a sufficient section of the public.

In respect of moral or ethical belief systems, public benefit might be satisfied if:

1. the beliefs and practices reflected in the doctrines and codes of the particular moral or ethical belief system are accessible by or applicable to the public and beneficial in that they tended to lead to the moral welfare or improvement of the community; and
2. that benefit is for the public or a sufficient section of it.

Regarding 1. above, the benefit of the follower or adherent developing his/her social values and creating an uplifting 'feel good' effect on those conducting themselves responsibly towards others, might in turn promote more socially beneficial behaviour. The benefit might be through the follower putting these values into practice in wider society and encouraging others to do so. The public might benefit from those benevolent acts both individually and more generally. The promotion of that behaviour might also prevent or deter irresponsible behaviour in others.

## **E2 Principle 2a: The beneficiaries must be appropriate to the aims**

The beliefs and practices of a charitable moral or ethical belief system have to be sufficiently accessible to, and capable of benefiting, the public generally or a section of it. Who constitutes 'the public or a section of it' is based on whom the organisation's aims are primarily intended to benefit. However, we would expect to see a wide public benefit going beyond the members of an organisation promoting a moral or ethical belief system.

This is an important consideration when assessing whether a charity benefits the public or a section of the public. It is expected that in the case of moral or ethical belief systems, the beneficiaries would normally be both the followers, adherents or members and the wider public. The wider public can in some cases benefit through being able to participate in the practices and ceremonies promoted by a moral or ethical belief system and in others by, for example, being the recipient of a charitable act undertaken by a follower or adherent as a result of putting into practice the teaching or practices of a moral or ethical belief system.

Charities advancing a moral or ethical belief system can require their followers, adherents or members to comply with certain norms of behaviour promoted by that moral or ethical belief system and so the beneficiaries of that organisation who are also followers, adherents or members can therefore be defined with reference to that. However, where doing so involves breaking the law, or where there is evidence of detriment or harm being caused, this will affect public benefit (see section [D4](#) above).

Some moral or ethical belief systems are concerned with lifestyles which might be charitable for the promotion of health but which might also, simultaneously, promote spiritual or moral teachings eg some Yogic organisations, from which the wider public might benefit.

For example, the wider public might benefit by attending or participating in the rituals or rites performed by the organisation. Where a moral or ethical belief system promotes a certain lifestyle, members of the wider public might benefit from an improvement to, for example, their mental wellbeing, physical health (such as strength and suppleness) and their diet.

## **E3 Principle 2b: Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by:**

- **geographical or other restrictions; or**
- **ability to pay any fees charged**

Accessibility to the practices of a moral or ethical belief system is an important aspect of public benefit. The actual number of people who can

benefit at any one time can be quite small as long as anyone who could qualify to benefit is eligible. Public benefit will not be satisfied where the followers, adherents or members are a small number of people who are an enclosed group, who will not have any contact with society in general, even if, in theory, any member of the public could train to join that group.

The benefit must be accessible. One essential distinguishing feature is whether or not the practices or promotion of the moral or ethical belief system are essentially public in nature. Therefore, we would need to see that the doctrines, beliefs and practices of the organisation are accessible to the public and capable of being applied by members of the public in such a way that benefit may result.

Where the practices of the moral or ethical belief system are essentially private in nature or limited to a private class of individuals not extending to the public generally, the public benefit requirement might not be met. However, there are circumstances where the beneficiaries can still be reasonably restricted although even in those cases there must still be benefit to the public generally.

For example, in their consideration of the application for registration from the Church of Scientology in 1999 and the Scientology practices of auditing and training, the Commissioners “considered that even if a member of the public could attend an auditing and/or training session other than as a participant but rather as an observer, these Scientology services are by their very nature directed to the particular individual receiving them. Auditing appears akin to a form of counselling and is described by Scientologists who receive it as “counselling”. It is directed to the private needs of the individual receiving it. The Commissioners found it difficult to see how the public could be edified or otherwise benefited by attending and observing such a session”

A restriction on who can have the opportunity to benefit might be reasonable:

- where the class of people who can benefit is sufficiently wide or open in nature (given the charitable objects to be carried out and the resources available to the charity) to constitute a sufficient section of the public; or
- because the class of people whom the aims are intended to benefit have a particular charitable need which justifies restricting the benefits to them.

Restrictions cannot be arbitrary and must be justifiable.

For example, usually charities should provide as much benefit as possible given their particular circumstances. Where one of the ways in which an organisation advances a moral or ethical belief system is holding weekly readings and discussion groups, it would be natural that any restrictions on the number of people who could attend the readings and discussion

groups were dictated by the organisation's resources and the availability of space in which to hold the weekly meetings. This in turn would reasonably dictate the number of people who could attend.

Regarding the number of followers, adherents or members, the reasons/circumstances for any restrictions on numbers would have to be considered. If the organisation advancing a moral or ethical belief system has a membership structure we would expect to see membership open to all those (over the age of 18) interested in the aims of the organisation. As with all membership organisations, there can be circumstances where the trustees can refuse an application for membership but only if, acting reasonably and properly, they consider it to be in the best interests of the charity to refuse the application. Equally, a member can be removed from membership if it is agreed that to do so would be in the interests of the charity. The member concerned should be entitled to a right of appeal before the final decision is made.

Where it is possible to join or convert to a moral or ethical belief system, it may be that the process of joining, or converting, is a long and difficult one. Obviously, joining an organisation promoting a moral or ethical belief system is usually not a step that is taken lightly. Those connected with the moral or ethical belief system might wish to be assured that those joining them are sincere and are expected to show a degree of commitment. This is acceptable provided that the process of joining or converting is not used inappropriately or unreasonably as a means of denying legitimate access to those who truly wish to join the moral or ethical belief system.

Another aspect of accessibility is access to meeting places and concerns about security. These concerns can mean that the meeting place has to be locked when not in use, and people can no longer simply enter the building for quiet contemplation. In these circumstances, we would expect adequate provision to be made to inform people when they can enter the premises – a prominently displayed notice outside the property, for example.

The celebration of the ceremonies, rituals and other rites of a moral or ethical belief system in public confers the beneficial effect of those practices on the members of the public who attend. It is recognised that some activities carried out, such as naming, marriage and funeral ceremonies, will be participated in not only by followers, adherents or members, but also the public. The participation need not be active and may involve being able to sit in on ceremonies and services as an observer. In some cases, these will be incorporated into public open services. In others, the benefits might be confined only to certain followers, adherents or members. In these cases we will need to look at whether the private nature of the rite or practice is consistent with the need for the organisation to demonstrate public benefit. Obviously we will need to look at the significance of the rite or practice in the moral or ethical belief system, and of its relevance to the whole of that moral or ethical belief

system's activities, including who can and cannot participate in it. We consider that, in **most** cases, this is unlikely to be a problem.

In the case of some charities advancing a moral or ethical belief system that charge fees, there might also be some restrictions on who can benefit based on the ability to pay those fees. Where that is the case, please see our separate draft supplementary guidance *Public Benefit and Fee-Charging*.

#### **E4 Principle 2c: People in poverty must not be excluded from the opportunity to benefit**

Some moral or ethical belief systems might use a system (similar to tithing in religion), where followers, adherents or members pay an agreed amount of their income in the form of a 'tax' to the organisation which may be voluntary or mandatory. If the level of 'tax' is such that people in poverty are unable to access the services and facilities offered by the organisation the public benefit of that organisation's aims may be called into question. If financial contribution is used in practice (if not officially) as a way of restricting who can join or benefit, for example if there is any pressure, covert or otherwise, put on the follower or adherent to pay, regardless of their ability to do so, this again could call into question the public benefit of the organisation's aims.

People in poverty are a charitable beneficiary class and therefore benefits can be restricted to them. However, they cannot be excluded from benefiting simply because they cannot afford to pay any fees charged. There must be some other material way, related to the charity's aims, in which they can benefit. This is not to say that people in poverty actually have to benefit; it is the opportunity to benefit that is the issue, not the actual enjoyment of benefit.

Similarly, where healing is a part of the moral or ethical belief system, if a charge is made for the healing, then that charge should be set at such a rate as not to exclude people in poverty from benefiting from the healing. Not all organisations charge for their services, and some leave the choice of payment with the members of the public.

Examples of the types of services that organisations advancing moral or ethical belief systems might charge for include:

- ceremonies, such as weddings, funerals, naming;
- education and teaching;
- counselling;
- marriage guidance;
- retreat;
- exorcisms;
- pilgrimages and visits to sacred sites;
- use of property;
- media:

- books;
- magazines;
- DVDs and CDs

If the teachings or doctrines of the moral or ethical belief system are only available as a course of study and that course is only available on payment, we will need to consider to what extent the moral or spiritual development of the follower or adherent is dependent upon their ability to pay. We will also need to consider to what extent those costs might exclude people in poverty. See also our draft supplementary guidance *Public Benefit and Fee-charging*.

#### **E5 Principle 2d: any private benefits must be incidental**

Any private benefits that arise will usually do so either as a necessary but incidental way of the organisation furthering its aims, or as a consequence of doing so. In both cases, the trustees must be satisfied, on reasonable grounds, that the activity which results in a private benefit is an effective way of furthering the charitable aims. In addition, in all the circumstances, the extent of the benefit must be reasonable.

Any evidence of private benefit, that is more than legitimately incidental, would have to be carefully examined. Private benefit might arise, for example, in the case of benefits to the leader or leaders of a moral or ethical belief system. If the purpose of the organisation advancing a moral or ethical belief system is to enhance the wealth of the leader or leaders, this would not be charitable. Any benefits given to such persons must be reasonable and the trustees must be satisfied that they are necessary for the proper administration of the charity.

Examples of the types of private benefits to the leaders of a moral or ethical belief system which might arise include:

- the payment of subsistence, accommodation and other living expenses;
- the payment of remuneration for their services;
- the enhancement of the leader's personal reputation;
- increased income from the sale of merchandise, such as videos, books and tapes in which the leader has an interest; or
- an increase in the value of their associated intellectual property rights or the payment of other personal gifts to the leader.

In many cases, the benefits that arise will not be more than legitimately incidental. However, in some cases, they might be more than legitimately incidental and affect public benefit. Where there are such concerns, an assessment would need to be made of the nature and extent of the benefit, as well as whether there is an express power to provide those benefits in the organisation's governing document.

For example, an organisation set up to advance a moral or ethical belief system operates as a community whose small number of members and the trustees derive significant personal benefit from the lavish property

they reside in, financed by their commercial jewellery trading activities, which are extensively interwoven with the operation of a commercial company. The amount of charitable activity is minimal and any public benefit is outweighed by the extensive private benefit derived.

Benefits may be considered ancillary where, for example, personal benefits arise to followers, adherents or members because the activities overflow from their meeting places in the form of social activities.

We are not concerned with the benefits anyone receives as a direct result of being a beneficiary of a charity.

Examples of the types of non-incident private benefit that might arise in an organisation advancing a moral or ethical belief system include:

- paying the expenses of the leader or leaders and sometimes their families including:
  - very generous salary;
  - accommodation (not always commensurate with need);
  - travel (including mode of travel eg private jet);
  - elevation of the status of the founder (and possibly of their family too) including self promotion and power;
- promotion of the teachings of a leader who is still alive including book tours, seminars, receipts of royalties from publications;
- communities, for example where, in addition to free accommodation, expenses of an over-generous scale are given and sometimes paid employment is also offered.

### General consultation questions

Q14 Is there anything you would have expected us to cover in this draft supplementary guidance that we have not included?

Q15 We recognise that there will be similarities between charities advancing religion and those advancing moral or ethical belief systems and, where possible, have sought to ensure equality of treatment with regards to the public benefit requirement for each. Do you consider that the issues raised in this guidance, the language and examples used, are relevant to and appropriate for organisations advancing moral or ethical belief systems?

Q16 What do you think of the clarity, style, format and language overall used in this draft supplementary guidance?

## Consultation Questions

The following is a list of all the consultation questions that appear throughout this draft supplementary guidance:

Consultation questions		Section
Q1	Do you have any comments on our description of a charitable moral or ethical belief system?	C1
Q2	Do you think that 'moral or ethical belief system' is the appropriate term to use? If not, can you suggest an alternative?	C1
Q3	Do you agree with our view that a moral or ethical belief system defines how a person lives their life?	C1
Q4	Is the term 'followers, adherents or members' the appropriate way to refer to someone who holds or subscribes to a moral or ethical belief system? If not, can you suggest an alternative?	C1
Q5	Do you have any comment on this list of characteristics for a charitable moral or ethical belief system? Are there any other characteristics that you think should be included?	C3
Q6	Are you able to provide examples of moral or ethical belief systems which do seek followers, adherents or members? If so, please provide details.	C4
Q7	Do you know of any examples of moral or ethical belief systems into which followers, adherents or members must be born and into which it is not possible to convert? If so, please provide details.	C4
Q8	Do you agree with our examples of when a moral or ethical belief system can be said to be advanced? If not, please say what you do not agree with and why?	C4
Q9	Are there any other examples of ways in which a charitable moral or ethical belief system may be advanced?	C4
Q10	How can the advancement of a moral or ethical belief system by community work be more clearly distinguished from social work of a similar kind but which has no connection with a moral or ethical belief system?	C4
Q11	Do you find this list relevant and helpful? Are there other examples of ways in which it can be shown that the advancement of a moral or ethical belief system is for the public benefit? If so, what are they?	D2
Q12	Are organisations for the advancement of a moral or ethical belief system likely to have any difficulty in demonstrating that the benefits they provide are related to their aims?	D3
Q13	Do you know of any moral or ethical belief systems which require their followers, adherents or members to live together in communities? If so, please provide	D4

	details.	
Q14	Do you have any comments on our suggested approach towards charities undertaking activities in a foreign country which might be subject to local legal challenge?	D4
Q15	Is there anything you would have expected us to cover in this draft supplementary guidance that we have not included?	
Q16	We recognise that there will be similarities between charities advancing religion and those advancing moral or ethical belief systems and, where possible, have sought to ensure equality of treatment with regards to the public benefit requirement for each. Do you consider that the issues raised in this guidance, the language and examples used, are relevant to and appropriate for organisations advancing moral or ethical belief systems?	
Q17	What do you think of the clarity, style, format and language overall used in this draft supplementary guidance?	