

EXECUTIVE COUNCIL

RESTRICTED

Title of Report: Recognition of UK charities in the Falkland Islands –
International Agency for Prevention of Blindness

Paper No: 229/09

Date: 26 November 2009

Report of: Senior Crown Counsel

1.0 Purpose

- 1.1 To consider an application from Standard Chartered Bank for the British charity 'International Agency for Prevention of Blindness' to be recognised in the Falkland Islands for tax purposes under section 57B(2) of the Taxes Ordinance 1997.
- 1.2 To invite Honourable Members whether in future they wish to adhere to previous practice, and consider applications for charitable recognition only once in each calendar year.

2.0 Recommendations

- 2.1 Honourable Members are asked to invite the Governor to recognise the British charity 'International Agency for Prevention of Blindness' as a charity for the purpose of section 57B(2) of the Taxes Ordinance 1997.
- 2.2 Honourable Members are asked to indicate whether they want to restrict consideration of applications for charitable recognition to once in each calendar year.

3.0 Summary of Financial Implications

A minor reduction to tax revenues is likely, but is not considered material in the context of the overall budget.

4.0 Seeing is Believing

- 4.1 International Agency for Prevention of Blindness (IAPB) is a charity registered in the UK with charity number 1100559. It was founded in 1975 by the World Blind Union and the International Council of Ophthalmology, and its registered office and contact details are those of the London School of Hygiene and Tropical Medicine. More information about IAPB is available from its website www.iapb.org

- 4.2** IAPB is the leading umbrella organisation for Non-Governmental Organisations working in the field of eye care. Together with the World Health Organisation, it launched 'The Vision 2020 – The Right To Sight', a global campaign to eliminate avoidable blindness by 2020.
- 4.3** IAPB's objectives are:-
- 4.3.1** to disseminate ideas and information on successful approaches to eye care delivery;
 - 4.3.2** to increase public awareness of needs and solutions so that the experiences and resources of one country may assist another;
 - 4.3.3** to support the World Health Organisation programme and its strategies through close dialogue, mobilisation of resources and evaluation of activities.
- 4.4** IAPB works to encourage the formation of national prevention of blindness programmes, and supports activity at all levels of eye health provision, including health education, mobile eye care services, secondary and tertiary eye hospitals and clinics, and the training of personnel such as primary eye care workers, ophthalmic assistants and nurses, ophthalmologists and programme managers. It is active in over 80 countries.

5.0 Standard Chartered Bank, 'Seeing Is Believing' and International Agency for Blindness

- 5.1** 'Seeing is Believing' is a global charity campaign partnership launched in 2003 between Standard Chartered Bank (SCB) and IAPB. Its objective is to raise funds to help restore sight through a combination of preventive and curative work. All donations to 'Seeing is Believing' are transferred by SCB to IAPB, and form part of the charity's income.
- 5.2** SCB advise that to date 'Seeing is Believing' has raised over US \$16 million, and, working with 12 partner Non-Governmental Organisations, has allocated the funds to 35 projects across 17 countries.
- 5.3** SCB and IAPB are now in the fourth phase of 'Seeing is Believing', and aim to raise US \$20 million by 2013 for 20 million people in 20 cities across the world. In order to meet this commitment, SCB is matching all donations, dollar for dollar, until the US \$ 20 million.
- 5.4** SCB has formally requested FIG to recognise IAPB as a charity in the Falkland Islands for tax purposes under section 57B(2) of the Taxes Ordinance 1997.

6.0 Recognition of UK Charities

- 6.1** Section 57B(2) of the Taxes Ordinance allows the Attorney General to submit to the Governor as advised by Executive Council for official recognition (for

tax purposes only) any UK-registered charities. UK charities which are active in the Falkland Islands have been recognised in this way, including Falklands Conservation and the Royal British Legion. Other major UK charities have been officially recognised following requests by taxpayers, including Cancer Research UK and Help for Heroes.

- 6.2 Official recognition for the purposes of the Taxes Ordinance enables local residents or companies to claim as tax deductible donations totalling £50 or more which they make to the relevant charity.
- 6.3 Following a spate of applications from tax-payers in 2003 for recognition of UK charities, Executive Council requested that in future one paper be submitted in each calendar year giving details of all those UK-registered charities for which official recognition had been requested.
- 6.4 Following that decision, there was one application for charitable recognition in 2004, none in any of the years 2005 to 2007, and one in 2008. The application for IAPB is the third request to be received during 2009 (the other two applications having been considered in August – paper 183/09).
- 6.5 If consideration of the SCB’s application for IAPB is deferred until 2010, any donations made to the charity during 2009 by local taxpayers cannot be claimed as tax deductible; if the application is considered and approved then any donations made during 2009 (whether before or after the date of the Executive Council meeting) can be claimed as tax deductible.

7.0 Financial Implications

It is believed that the likely effect of recognition of IAPB as a charity for tax purposes will result in a small reduction in tax revenues, because SCB and the general public have already given significant financial support to IAPB through the ‘Seeing is Believing’ campaign and some of these donations will now be claimed as tax deductible. The exact amount cannot be quantified, but is expected to be very small compared to overall tax revenues. If IAPB is not recognised as a charity for tax purposes, some companies and individuals may transfer their support to other registered charities so that they can claim future donations as tax deductible.

8.0 Legal Implications

None

9.0 Human Resources Implications

None