



Charitable incorporated organisations delayed again

The launch of the charitable incorporated organisation - a new legal form for charities - has been delayed again. It is now not expected to become available until late 2010 or early 2011.

The CIO format will allow charities to incorporate without registering with both the Charity Commission and Companies House.

Provisions for the establishment of CIOs were included in the Charities Act 2006 and the new format was initially expected to be available from summer 2008. The Office of the Third Sector now says that the plan to have the model available by this spring has been scrapped because there will not be enough time in the current parliamentary session to pass the necessary secondary legislation.

Also officials are still working through some operational issues raised by the Charity Commission, such as concerns about the regulator's ability to manage information on the liabilities of CIOs.

We understand the aim now is to take the legislation through as soon as possible in the new Parliament, with the CIO becoming available either later in 2010 or early in 2011. Updated draft regulations will be published in due course. Earlier this month, the Office of the Third Sector announced that a proposed consolidation of charity law would also have to wait until the next Parliament.

In the light of this development, it is likely that those wishing to use an incorporated format will still continue to use the company limited by guarantee.

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