

CIW's approach to Charitable Incorporated Organisations (CIO)

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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What is a CIO?

Historically, providers with a charitable status would often set up a limited company in order to conduct their business and register with us. This resulted in them being registered with both Companies House and the Charity Commission. The Charities Act 2006 created the new type of legal entity called a Charitable Incorporated Organisation (CIO).

CIOs are charitable organisations with their own legal identity. They have incorporated status which means they are able to enter into contracts in their own name and have limited liability protecting members and trustees from financial losses. CIOs are registered with the Charity Commission, but will also show on a search of Companies House.

In 2018, legislation put in place a streamlined process for charitable companies to convert to a CIO whilst maintaining their legal status. This process results in the organisation retaining all of its assets and liabilities, without the need to transfer anything from the company to the CIO.

What is the impact on registration with CIW?

New Providers

For new providers, applicants must ensure that they clearly indicate the type of legal entity they are registering. As part of the registration process CIW will conduct checks with Companies House and the Charity Commission to ensure the correct legal entity has been identified.

Who is providing the service?

CIW will also need to be satisfied that the person/organisation responsible for providing the service is the one seeking registration. For example, CIW will consider who makes key decisions regarding the operation of the service, such as:

- Who enters into employment contracts with staff? Is it an individual person or a committee/board of Trustees?

- Who has control over the premises in which the service is conducted (whether as tenant or owner)? Is it an individual or committee?
- Where an individual is seeking registration, does the individual have a contract of employment with a committee/board of trustees?
- In whose name are the employee and public liability insurances?
- Who is accountable for any liabilities which may arise?

CIW will consider the answers to these questions (and any others which may be relevant) in determining who is providing the service. Where an individual has applied for registration, but the answers to these questions reveal that the service is being provided by a committee or board of trustees, then a new application in the name of the relevant organisation will be required.

Failure to identify the correct legal entity on an application to register may result in a delay to the service being registered.

Registered Providers changing their legal status

In all scenarios, where a registered provider is seeking to gain status as a CIO, they must contact CIW. Depending on the type of legal entity currently registered with CIW there are different consequences and actions required in relation to the provider's registration.

Below are the various scenarios which may apply and the actions required:

An individual is the registered person

This scenario may apply to an individual registered in their own right, but who is also part of, or employed by, an organisation such as a committee or board of trustees. If the organisation is changing its legal status to a CIO, CIW will need to consider who is providing the service – the individual or the organisation.

Having considered the responses to the questions listed above; where the **individual registered person is responsible** for providing the service a new application for registration **will not be required**.

Where the **organisation is responsible** for providing the service a new application for registration **will be required**. The application to register will need to be in the name of the CIO and must be submitted within 28 days of the CIO being registered with the Charity Commission.

A Limited Company is the registered person

This scenario will apply to services where the registered provider is a limited company, without charitable status, and is establishing a CIO to take over providing the service.

The newly created CIO will have its own legal entity and therefore **will require a new application to register** the service with CIW. This application must be submitted within 28 days of the CIO being registered with the Charity Commission.

A Charitable Company is the registered person

Charitable Companies benefit from the streamlined process for converting to a CIO. This process allows the Charitable Company to retain their name and charity number as well as any assets or liabilities.

As the legal entity remains, **a new application to register the CIO is not required**. However, CIW must be informed of the conversion and be provided with the following details:

- Confirmation of name and charity number
- Confirmation of address
- The names of all trustees

This information must be provided within 28 days of the CIO being registered with the Charity Commission.

An unincorporated organisation is the registered person

This scenario will apply to services where the registered provider is an unincorporated organisation, such as a charitable trust or committee, which is converting to a CIO.

The newly created CIO will have its own legal entity separate from the unincorporated organisation and therefore **will require a new application to register** the service with CIW. This application must be submitted within 28 days of the CIO being registered with the Charity Commission.

In all scenarios where a new application is required, providing an application to register the service is submitted within the 28 day time period, the registration of the service will continue until the new application is determined.

Where to go for help

For any queries relating to registration with CIW, please contact the Registration Team on 0300 790 0126 or ciwregistration@gov.wales.

For advice and guidance in relation to CIOs, please visit the Charity Commission website <https://www.gov.uk/government/organisations/charity-commission>.