



**Give shares to charity  
and cut your tax bill!**

thegivingcampaign 

While charities often ask for your money, do you realise that you could also support them by giving stocks and shares? The charity can sell the shares or hold on to them as an investment. Either way, they are sure to be very grateful.

There are several reasons why it could be a good idea to give in this way:

- Firstly, you can get income tax relief for doing so!
- Perhaps it is more convenient for you to give shares just now rather than cash?
- Perhaps you can afford to give more by giving in this way?
- Perhaps you have held some small blocks of shares for a few years and would not miss them?

The income tax relief couldn't be simpler. If you give shares worth £1000 to charity and normally pay income tax at 22%, your income tax bill could be reduced by £220. Or if you pay income tax at 40%, you could save £400.

#### **What about capital gains tax?**

When you give shares to charity, you are also entitled to an exemption from any capital gains tax on the gains you may have made while you owned the shares. This could add up to another 40% in tax relief. However, any capital loss on the shares cannot be offset against your other capital gains.

*“Whether your gift of shares is large or small, it's a very smart way to support your favourite charity”*



### **Where do I start?**

The first thing you should do is contact a financial adviser to discuss the best ways for you to give and the tax implications.

### **What shares qualify?**

To qualify for income tax relief, the shares must be listed or dealt on a stock exchange. Look at the financial pages of the newspapers to check this and to establish their market value on the day you make the gift.

### **How do I claim income tax relief?**

Keep some evidence of the gift, such as a letter to the charity about the donation, and a note of the market value of the shares.

Your income tax deduction will be the:

- Market value of the shares (see the Inland Revenue for help with this calculation)
- Plus the possible costs of transferring the shares, such as your stockbroker's fees
- Less the value of any benefit you receive from the charity in return for your gift, for example, tickets to a charity dinner.

To claim your income tax relief, simply enter this amount on your annual tax return.

### **How do I transfer the shares to the charity?**

This depends on how your shares are held:

- If both you and the charity have a nominee account, ask your stockbroker to arrange the transfer electronically. You will need the charity's identity and nominee account number, and its charity registration number or Inland Revenue reference number. You should also agree a trade and settlement date on which the transfer will take place (usually one week on).
- If you have a nominee account but the charity does not, then the shares need to be converted into a paper share certificate before you transfer them. Then...
- If you hold a paper share certificate, you need to complete a transfer form and send it with the certificate to the company's registrar. The company registrar will then issue a new share certificate in the name of the charity.



## Organisations that can help you

**ShareGift** is a registered charity which specialises in accepting small numbers of shares that are otherwise uneconomic to sell. These are collected into saleable amounts and the proceeds donated to other charities. They also facilitate larger gifts of shares. There is no charge for this service.

[www.sharegift.org](http://www.sharegift.org) 020 7337 0501

---

**Charities Aid Foundation** is a registered charity which accepts shares worth £500 or more, sells them and donates the proceeds to the charities of your choice. There is a small charge for this service.

[www.allaboutgiving.org](http://www.allaboutgiving.org) 01732 520 055

---

**Community Foundation Network** is a network of local charitable foundations to which you can give shares in order to support charities in your local community.

[www.communityfoundations.org.uk](http://www.communityfoundations.org.uk) 020 7713 9326

---

**The Inland Revenue** website contains further information on tax-effective giving to charity, including giving shares to charity..

[www.inlandrevenue.gov.uk/charities](http://www.inlandrevenue.gov.uk/charities) 0845 3020203

---

**The Giving Campaign** has a guide for donors on giving shares to charity.

[www.givingcampaign.org.uk](http://www.givingcampaign.org.uk) 020 7930 3154

---