

Looking ahead to 2025

24 December 2024

For companies with charitable status: New protection for trustees' usual residential addresses

Regulations will come into effect on 27 January 2025 amending the existing regime for the protection of an individual's usual residential address (URA) to widen the range of circumstances in which an individual may apply to Companies House to protect their URA.

For large companies with charitable status: New compliance obligations around fraud prevention

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) applies to companies with charitable status which meet at least two of the following three criteria: more than 250 employees, more than £36 million turnover, more than £18 million in total assets. ECCTA creates a new duty for such corporations to prevent fraud.

The Government announced that the new failure to prevent fraud offence will come into force on 1 September 2025. The new offence widens the scope of corporate criminal liability, holding large organisations accountable for failure to prevent fraud offences committed by their employees or associates. Examples may include dishonest sales practices, the hiding of important information from consumers or dishonest practices in financial markets. In the event of prosecution, and in order to establish a defence, an organisation would have to demonstrate to the court that it had reasonable fraud prevention measures in place at the time that the fraud was committed. The Government has also published guidance on a framework for "reasonable fraud prevention procedures", which includes the following six principles:

- Top level commitment.
- Risk assessment.
- Proportionate risk-based prevention procedures.
- Due diligence.
- Communication (including training).
- Monitoring and review.

Updated charity governance Code

Expected to be released in 2025, the revised code will take into account the results of the consultation which closed in autumn 2024. In the meantime, the steering group in charge of the revision of the Code emphasises that the current version of the code remains a reflection of good practice and that governance reviews should not be delayed in anticipation of revisions to the Code,

Ex gratia payments

The provisions of the Charities Act 2022 governing ex gratia payments are not yet in force and it is unclear when the Government will bring them into effect.

Updated code of fundraising practice

The revised code is due to be published in early 2025 alongside a timetable for its implementation.

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