

10 August 2010

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Our Ref: **COMPTROLLER and**
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GUILDHALL

Dear Mr Colvin,

Business Rates

Thank you for your letter dated 25 May 2010. Please accept our apologies for not responding sooner.

Section 67(10) of the Local Government Finance Act 1988 ("the Act"), which contains the definition of "a charity" for the purposes of that Act, does not specifically require that a charity must be registered in the UK to meet the definition of a charity and therefore benefit from either mandatory or discretionary relief, or from relief from empty property rates if it appears the property will be used for charitable purposes when next in use. Nor does the Act require a charity to be registered under the Charities Act 2006 to qualify for relief from business rates. Our view is therefore that since the definition in section 67(10) does not expressly exclude non-UK charities, any decision on whether a non UK charity is a charity for rating purposes must be made on the basis of whether the body in question is established for charitable purposes (see section 67(10)).

As you are aware, the relevant hereditament must of course also meet the conditions in section 43(6) or 47(2)(a) to qualify for relief or, where the hereditament is unoccupied, those in section 45A(2) (unoccupied hereditaments: zero-rating).

We would however point out that the decision on whether or not to grant relief rests with the local authority and ultimately interpretation of the legislation is a matter for the courts.

Yours sincerely,



David McDonald

cc Loretta Jennings