

8 December 2015

By email to:

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[kim.andrews@charitycommission.gsi.gov.uk](mailto:kim.andrews@charitycommission.gsi.gov.uk)

Dear J Guest and K Andrews,

### **Proposed new XBRL Charity accounts taxonomy**

CIMA has sought the view of our Members in Practice on the proposed taxonomy for charity accounts. Based upon the responses of CIMA's practitioners we would advise caution with regard to making charity accounts subject to compulsory iXBRL tagging. The reason is that the charity format is not fixed, as it is for limited companies. Activities and funds mixes are dependent on circumstances and varying regulatory treatments which would make centralised requirements difficult to fulfil. The tagging is therefore likely to be a barrier to smaller voluntary groups.

The admin overhead for charity governance is already disproportionate. Profit seeking Ltd companies are far cheaper to administer than charities. We should seek to reduce this overhead, not increase it. We should not want to further disadvantage the voluntary sector relative to the private sector.

Moreover there is less reason to compel charities to do what private companies do. Companies have credit arrangements and taxation obligations which might benefit from electronic comparison. Charities simply do not have these obligations. Electronic comparison between charities is of less value and is already facilitated by the Charity Commission returns. It is felt that the cost of the change that is envisaged would outweigh the benefits significantly.

We hope you find these comments helpful.

Kind regards,

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Professional Standards Support Manager

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