

# Charitable think tank warned over breaches of charity law

The Charity Commission, the regulator of charities in England and Wales, has issued the Institute of Economic Affairs (IEA) with an Official Warning, after finding that its trustees breached charity law in relation to a publication about a key government policy.

**Update to published press release: In June 2019, the Charity Commission withdrew the Official Warning made against the IEA.**

PDF, 299KB, 2 pages

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The breaches relate to a report ('PLAN A+ Creating a prosperous post-Brexit U.K) published by the charity in September 2018, and an associated launch event. The charity has already removed the report from its website.

The warning sets out the ways in which the report and its launch contravened the legal and regulatory requirements that apply to charities with educational purposes such as IEA and amounted to misconduct and mismanagement on the part of the trustees.

Specifically, the Commission finds that the report and its launch sought explicitly to change government policy on an issue unrelated to the charity's purposes – furthering education –which constitutes a breach of the Commission's guidance on political activity and campaigning.

The regulator also finds that the report was not sufficiently balanced and neutral, as required by law from charities with educational purposes. Furthering education does not need to be value free or completely neutral, but research reports must present balanced information allowing the reader to make up his or her mind. In this case, the Commission found that the report was not sufficiently balanced and neutral, and nor did the charity provide an equally prominent publication or event presenting a different view, which could have provided balance in the round.

The warning also criticises the charity's launch event for including as speakers only individuals who held a particular set of views, thus risking the public perception that the IEA is politically biased and has a political viewpoint on a key government policy.

As well as calling for the charity to remove and cease promoting the report,

which it has done, the Official Warning specifies that IEA's trustees should provide the regulator with written assurances that it will not engage in campaigning or political activity that contravenes legal or regulatory requirements.

The charity is also called upon to implement a process to ensure that the charity's publications and other activities further its educational purposes and are in line with the Commission's guidance on campaigning and political activity.

**David Holdsworth, Deputy CEO and Registrar at the Charity Commission, said:**

Charitable think tanks are charities and need to behave as such, including by complying at all times with charity law. Like all charities, they share a responsibility for protecting the reputation of charity as whole.

While the law recognises the role charitable think tanks can play in promoting understanding and learning and inspiring debate, it also sets important limits, designed to protect what is unique and precious about charity.

Most charitable think tanks understand the rules that are associated with charitable status, and are careful to ensure their work complies with our guidance and inspires public trust.

I hope that our Official Warning now encourages the trustees of the IEA to recognise and understand that they must run the organisation as a charity, and comply with charity law.

The IEA remains subject to an ongoing regulatory compliance case examining concerns about the trustees' management and oversight of the charity's activities.

The regulator's published [guidance on its power to issue an Official Warning](#) notes that trustees' failure to rectify breaches specified in a warning would be grounds for it to take more serious regulatory action, for example using its powers to suspend trustees or appoint an interim manager.

**Ends**