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| **Legal structure** | **Summary: most typical features** | **Ownership, governance and constitution** | **Is it a legal person distinct from those who own and/or run it?** | **Can its activities benefit those who own and/or run it?** | **Assets “locked” for community benefit?** | **Can it be a charity and get charitable status tax benefits?** | **Example template/model documents available?** |
| **Unincorporated association**  | Informal; no general regulation of this structure; need to make own rules.  | Nobody owns: governed according to own rules.  | No – the members of the unincorporated association are personally liable. They have to enter into contracts and hold property in their personal names.  | Depends on the rules.  | Would need bespoke drafting to achieve this.  | Yes if it meets the criteria for being a charity. For more information see: <https://www.gov.uk/guidance/public-benefit-rules-for-charities>  | Charity Commission have an example for a charitable association:<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586359/GD3.pdf>  |
| **Trust**  | A way of holding assets so as to separate legal ownership from economic interest.  | Assets owned by trustees and managed in interests of beneficiaries on the terms of the trust.  | No: trustees are personally liable. They have to enter into contracts and hold property in their personal names. | Generally the trustees cannot benefit as they only manage the trust on behalf of the beneficiaries. Trustees can benefit if permitted by the words in the trust or a court or Charity Commission permit.  | Yes if trust is established for community benefit.  | Yes if it meets the criteria for being a charity. For more information see: <https://www.gov.uk/guidance/public-benefit-rules-for-charities> | Charity Commission have an example for a charitable trust:<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586357/GD2.pdf> |
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| **Limited company** **(other than Community Interest Company)** [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)  | Most frequently adopted corporate legal structure – can be limited by shares or guarantee. | Directors manage business on behalf of shareholders (company limited by shares) or members (company limited by guarantee). | Yes - members’ liability limited to amount paid on shares or by guarantee. Company enters into legal transactions in its own right and members are not liable for the company’s debts. | Yes (but no dividends etc. to members if it is a company limited by guarantee).  | Would need bespoke drafting in articles (which could be amended by shareholders / members).  | Yes if it meets the criteria for being a charity. For more information see: <https://www.gov.uk/guidance/public-benefit-rules-for-charities>  | Companies house:<https://www.gov.uk/guidance/model-articles-of-association-for-limited-companies>Charitable company:<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586363/GD1_articles_of_association.pdf> |
| **Community interest company (CIC)** [www.cicregulator.gov.uk](http://www.cicregulator.gov.uk)  | Used specifically for social enterprises – can be structured by shares or guarantee (see above). Key feature is the secure “asset lock” and requirement to fulfil community benefit test.  | As for other limited companies, but subject to additional regulation by the CIC Regulator to ensure community benefit test is being met.  | Yes - members’ liability limited to amount paid on shares or by guarantee. Company enters into legal transactions in its own right and members are not liable for the company’s debts. | Yes but the CIC must benefit the wider community as well. Can pay limited dividends to private investors if the CIC is limited by shares.  | Yes, through standard provisions which all CICs must include in their constitutions.  | No, but can convert to become a charity (and so ceases to be a CIC).  | CIC Regulators office:<https://www.gov.uk/government/publications/community-interest-companies-constitutions> |
| **Co-operative** \* Industrial and Provident Societies are now Registered Societies: see [2014 legislation](https://www.fca.org.uk/firms/registered-societies-introduction/co-operative-community-benefit-societies-act-2014) | For bona fide co-operatives that serve members’ interests typically through trade opportunities. | Committee / board manage on behalf of members. One member, one vote (regardless of sizes of shareholdings).  | Yes - members’ liability limited to amount paid. Co-operative enters into legal transactions in its own right and members are not liable for the co-operative’s debts. | Yes, but should do so mostly by members trading with society, using its facilities etc, not as a result of e.g. shareholdings.  | Would need bespoke drafting in articles (which could be amended by members).  | No – would have to be constituted as community benefit society.  | Co-ops UK:<https://www.uk.coop/resources/model-governing-documents>  |
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| **Community Benefit Society (BenComm)**\*Industrial and Provident Societies are now Registered Societies see [2014 legislation](https://www.fca.org.uk/firms/registered-societies-introduction/co-operative-community-benefit-societies-act-2014)  | These entities are run for the benefit of the community, rather than just their own members.  | Similar to Co-ops (i.e. managed by board or committee and one member, one vote). Some multi stakeholder variations. New legislation provides option of more secure form of asset lock.  | Yes; members’ liability limited to amount paid.BenComm enters into legal transactions in its own right and members are not liable for the society’s debts. | Surpluses made by BenComm have to be used for benefit of community and cannot be distributed to members (unlike a Co-op).  | Yes; can either adopt voluntary asset lock or statutory asset lock. If adopted statutory asset lock, there are tighter restrictions on how residual assets can be distributed on dissolution. | Yes as an exempt charity if it uses the voluntary asset lock and meets the criteria for being a charity: <https://www.gov.uk/guidance/public-benefit-rules-for-charities> | Sponsored rules are available from National CLT network:<http://www.communitylandtrusts.org.uk/_filecache/9f2/9a9/184-cltn-exempt-charity-model-2015.pdf><http://www.communitylandtrusts.org.uk/_filecache/a06/a63/330-ncltn-model-rules-non-charitable-ips.pdf>And/or Co-ops uk:<https://www.uk.coop/resources/model-governing-documents> |
| **Charitable Incorporated Organisation (CIO)**[www.charitycommission.gov.uk](http://www.charitycommission.gov.uk) | Corporate structure designed specifically for charities. Regulated by Charity Commission only. | Similar to company but with different terminology (e.g. for “directors” read “charity trustees”).  | Yes; members have no liability and the CIO will enter into legal transactions in its own right.  | Charity trustees can only benefit if constitution, court or Charity Commission permit.  | Yes – all assets and surpluses have to be used for the CIO’s charitable purposes. | Must meet the criteria for being a charity in order to be registered: <https://www.gov.uk/guidance/public-benefit-rules-for-charities> | Template documentation available from Charity Commission:<https://www.gov.uk/government/publications/setting-up-a-charity-model-governing-documents> |