



Coutts Trust & Estate Planning Services

PUTTING YOUR VALUES INTO ACTION WITH A CHARITABLE FOUNDATION

At Coutts, philanthropy is in our DNA. We can trace our history of charitable giving back over 300 years. And with Angela Burdett-Coutts, one of the most renowned and pioneering philanthropists, at the heart of our history, it's no wonder that we're passionate about empowering and furthering the causes that matter to our clients.

From one-off donations to long-term charitable support, there are a range of options to help others – our goal is to be on hand to help make that process as simple, enjoyable and impactful as possible for you.

Giving with impact can be a challenge – there are so many different charities, platforms and approaches to consider. Our team of award-winning*, expert advisers can help you whether you're just starting out or looking to grow your giving. We could help you to structure your donations and plan how and where to give most effectively.

Coutts can help with the investment of any charitable funds to ensure long-term and sustainable income to fund your donations. We can also discuss with you the types of structures that many clients use for their charitable giving, and make introductions to relevant external advisers to help you set up and run these structures as appropriate. Finally, we can give you access to events, networks and other resources to help develop your giving strategy.

It's important to remember that gifts into trust are irrevocable so you cannot ask for their return at a later date.

*Best Private Bank for Philanthropic Services - Global Finance - World's Best Private Bank Awards 2020 and 2019

What are the benefits of a charitable foundation?

A charitable foundation can be an ideal option if you'd like to set aside a substantial sum of money to provide for other charities in a tax-efficient way.

Setting up a grant-making charity enables you to support a range of charities when the time is right. This means that, although the foundation you set up receives the donation when you decide to make it, the trustees can take their time considering which causes to support and what your level of personal involvement will be. This gives significant flexibility in terms of planning and prioritising the allocation of the charitable funds.

There are, of course, real tax advantages in gifting to charity. Donations of this nature can be eligible for income tax and capital gains tax relief, and can provide immediate inheritance tax benefits without the need to survive for seven years.

You may also consider encouraging other family members to become involved, shaping a philanthropic legacy which can be passed down the generations. It's also a supportive way to introduce the next generation to philanthropy and give them the chance to understand where their interests may lie. This often leads to a stronger legacy of family giving, as well as making sure you give to the causes closest to your hearts.

How does this work in practice?

You can establish a charitable foundation during your lifetime and potentially appoint others to act as trustees with you. This allows the foundation to continue after your death, with other family members closely involved in the allocation of grants.

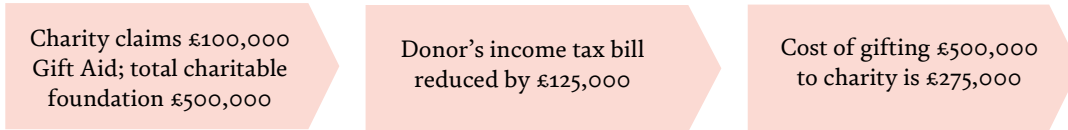
Coutts

OPTIMISING YOUR CHARITABLE GIVING

1) GIFT AID

Gifts of cash to your foundation should allow the charity to claim an extra 25% and provide you with income tax relief.

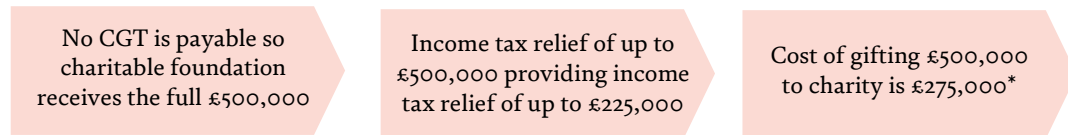
Example: Additional rate taxpayer gifts £400,000 cash to their charitable trust



2) QUOTED SHARES OR PROPERTY

Gifts of quoted shares or property to your charitable foundation can be made gross (ie without capital gains tax) and provide you with income tax relief.

Example: Client transfers £500,000 of quoted shares, with a £100,000 capital gain



*Additional saving of CGT of up to £20,000 compared to sale

Important to know:

- **You should seek tax advice on your own position**
- Tax reliefs can also be available on gifts of other assets to charity or gifts from companies
- Gifts to charity in your will may also benefit from IHT relief
- The tax reliefs outlined in this fact sheet are available on gifts to charity in general and not limited to gifts to charitable foundations
- This factsheet is based on our understanding of current tax law and practice. It is provided only for general information purposes and is not intended to constitute definitive tax advice. Tax reliefs and other matters referred to in this factsheet are those applying under current legislation, which may change, and the value and availability of any such reliefs depend on your individual circumstances.

How we could help

With specialist help it is simple to set up a charity. We can facilitate its creation by referring you to one of our trusted partners, who will prepare the necessary documents and provide a professional trustee service.

At Coutts, we offer advice on succession and inheritance tax issues based on your circumstances. We also offer a full wills service, including acting as an executor, so that your testamentary objectives in terms of philanthropy as well as providing for your loved ones can be put into practice.

Your wealth manager would work with the trustees of the charity to advise on the investment strategy and manage the underlying investments. We can also open bank accounts for charities.

Through our events programme, you can learn about some of the current challenges that other philanthropists face, and how they have overcome them. There is also the opportunity to engage with our specialist philanthropy advisers for more tailored support, which can help you with a longer-term plan for your giving. You'll also have access to our publication, The Philanthropy Handbook, which gives a comprehensive overview of the issues you need to consider as you design your giving approach.

To find out more please contact your adviser to arrange an introduction to a Coutts estate planning specialist.

Details of indicative fees and charges are available on request. The information provided is based on our understanding of the law and regulations as at the date of publication, but it is not exhaustive and does not constitute legal or tax advice. You should consult your tax adviser to ensure that the information is relevant to your facts and circumstances.