

# Efficient Philanthropy

## Points to consider to make your philanthropy more efficient and impactful

At UBS, we help you to give to philanthropic causes you care most about in an easy and effective way.

Often, we find that clients want to give away some of their wealth at a later date once they know that the needs of themselves and their loved ones are taken care of.

However, gifting money to philanthropic causes during your lifetime on an annual basis can have a number of benefits – not least that you are able to see the good work being done with your donations.

### UK tax payers

If you have paid enough UK tax on your income, cash donations from individuals, excluding trusts and foundations, are eligible for Gift Aid. This means that the charities can claim an extra 25p on every pound that you donate.

Furthermore, income tax relief is available on charitable donations, normally reducing your income tax liability.

**The price and value of investments and income derived from them can go down as well as up. Capital held in this account is therefore at risk. Tax treatment depends on individual circumstances and may be subject to change in future. UBS does not provide tax advice.**

### When to make a donation

We know your time is precious and often very busy. Often, clients know that they want to make philanthropic donations but may not have the time immediately to decide the beneficiaries.

Our UBS UK Donor-Advised Foundation (DAF) is a UK registered charity where you can make a donation at

any time and decide what charity to make a donation to at a later date.

This simple and cost effective alternative to a family foundation removes the urgency of making time-sensitive donations and allows you time to develop a strategy that will help you to achieve your philanthropic goals.

### What to give

Some charities, including the UBS DAF and our own high-impact philanthropic foundation, Optimus, will accept donations of qualifying shares.<sup>1</sup>

Income tax relief<sup>2</sup> can normally be claimed against UK income up to the full value of your investment gifted to charity.

In addition, the gifting<sup>3</sup> of shares will generally be treated as no gain/no loss meaning that disposal will not be subject to Capital Gains Tax.

<sup>1</sup> Qualifying investment – for the purposes of income tax reliefs, qualifying investments are: shares or securities listed on a recognised stock exchange, units in an authorised unit trust, OEIC shares and interests in offshore funds.

<sup>2</sup> Income tax can normally be claimed up to the market value of the investment gifted to charity plus any incidental costs of disposal. Where the transfer is only a partial gift, income tax relief will be available on the difference between the market value (plus any incidental costs) less the proceeds received by you.

<sup>3</sup> An outright gift of an asset to charity will generally be treated as a no gain/no loss transfer, meaning that the disposal will not be subject to Capital Gains Tax. Where the transfer is a partial gift, Capital Gains Tax will generally only be payable where the proceeds exceed the cost of the asset to the taxpayer.