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MEP for South West England and Gibraltar  
European Parliament  
Rue Wiertz  
Brussels

21<sup>st</sup> November 2018

Dear Baroness Stowell,

### **Regarding the charitable status of ‘think tanks’ undertaking overtly political work**

Following the [concession](#) by the Taxpayers Alliance that it had unfairly dismissed and smeared Brexit whistleblower Shahmir Sanni, attention has been focused on the network of organisations operating out of 55 Tufton Street, Westminster and in premises nearby. Several of these organisations have charitable status and I am writing now to question whether this is appropriate.

The Institute of Economic Affairs is one such example. The organisation [currently holds charitable status](#) despite acting as a pressure group advocating an ultra-right liberal approach to the economy. Earlier this year there were concerns about the undue influence in government of the Legatum Institute. Shanker Singham and three of his team from Legatum [moved to the IEA](#) to establish an International Trade and Competition Unit, with Singham as director. Singham had enjoyed [privileged access to DExEU ministers](#) including the former Secretary of States David Davis and Boris Johnson and [repeated meetings](#) with Philip Rycroft, the permanent secretary. These meetings were not minuted but Singham is acknowledged to have coordinated political strategy to pressure the Prime Minister to stick to the hard Brexit line. The former Brexit Secretary Dominic Raab [credited the IEA](#) with supporting him “in waging the war of ideas”, another indication of the powerful influence of the IEA in government and its overtly political intent.

The TaxPayers’ Alliance (TPA) was set up by Matthew Elliott, who left it to become CEO of Vote Leave. The TPA campaigns for lower tax and lower public spending and received £505,000 from the Politics and Economics Research Trust up to 1 December 2009, 93% of all its grants. Now a new disclosure reveals the TPA received at least \$286,000 (£223,300) from US-based donors in the last five years, including \$100,000 originating from a billionaire-founded religious trust incorporated in the Bahamas. I am aware that the Charity Commission previously looked at this case in isolation.

As I understand the law, a charity cannot have a political purpose. Many of these organisations are seeking to ensure that the UK leaves the European Union and then to undermine much of the EU regulation that we are currently governed by. This is clearly a political purpose according to the [conditions](#) you helpfully lay out. From my perspective, I would also question whether establishing close links with US libertarian organisations can ever be ‘for the public benefit’, as charity law requires.

In several cases, the organisations listed have established trading arms in an attempt to maintain their charitable status. The law requires that, ‘Where trading (other than trading in pursuit of its charitable objects) involves significant risk to a charity’s assets, it must be

undertaken by a trading subsidiary,' but when that subsidiary is wholly owned and exists only for the purpose of channelling funds to the main body, the arrangement seems to be a fiction created merely to circumvent the law.

I am today asking you to review the charitable status of the following organisations:

- The [TaxPayers' Alliance](#) and its charitable arm the Politics and Economics Research Trust
- [Civitas](#): Institute for the Study of Civil Society Europe
- [The Adam Smith Institute](#) (and research trust)
- [The Global Warming Policy Foundation](#) and its charitable arm the Global Warming Policy Forum
- [The Institute for Economic Affairs](#)

I would ask that you examine the 'descriptions of purpose' of each of these organisations and their trading subsidiaries to ensure that they are still compatible with the law. I would also be grateful if you could clarify the rules on donations and especially on foreign donations to British charities, since [evidence suggests](#) that their funding strategies facilitate foreign influence on our domestic politics.

As I am sure you can appreciate, there is an urgency about this request given the political crisis we currently face and the uncertainty about our future. As such, I look forward to your early response.

Yours sincerely,

Molly Scott Cato MEP