

# Africa Resource for Kidney Diseases AFREKID

**Giving shares to AFREKID**



By giving shares to AFREKID you are doing something really amazing – you are joining many people, all over the world, who are working to bring lasting solutions to kidney dialysis

This leaflet explains how you can give shares to AFREKID, or sell shares on AFREKID's behalf, and outlines the possible tax benefits to you of doing so. Please note however that, although we are happy to answer any queries you may have about the procedures of making a transfer, AFREKID is not registered to give financial advice. So if you want advice on the possible tax advantages for your specific circumstances, you need to contact a financial adviser or HM Revenue and Customs (HMRC). (Contact details are at the end of this leaflet)

#### **What will AFREKID do with my shares?**

It is AFREKID's policy that, when we receive gifts of shares, we sell them as soon as is practicable. This is because if we held on to them their value might change and we believe that we should not speculate with gifts entrusted to AFREKID, but use them as soon as possible to relieve the suffering of kidney patients.

#### **What are the possible tax benefits for me if I donate shares to AFREKID?**

##### **Income Tax**

If you donate shares to AFREKID, you can get income tax relief on the donation. If you are a higher rate taxpayer, for instance, and donate £1,000 worth of shares, you will get £400 tax relief. Or, if you pay tax at the standard rate, the relief would be £220.

You can claim this on your self-assessment tax form, or by contacting your local Tax Office.

##### **Capital Gains Tax**

Normally, if you sell shares for more than what they were valued at when you acquired them, this is known as making a Capital Gain. You can make Gains up to an annual limit (the allowance for the tax year 2006/7 is £8,800) without having to pay tax on this money, but anything above that will be subjected to Capital Gains Tax (40%). However, you will not have to pay any Capital Gains Tax on shares which you donate to AFREKID. This exemption may therefore be important to you if you have already reached, or are likely to reach, the annual limit.

#### **Can I sell the shares, give the money to AFREKID and still get tax advantages?**

Yes, you can. In fact, this reduces the administration for AFREKID and minimises transfer fees. You will need to contact AFREKID first, however, to be able to claim tax relief later. Send a letter to AFREKID at the address below, (a phone call is not sufficient), stating that you wish AFREKID to receive the shares. Keep a copy of this letter, as you need evidence that you are selling the shares but not keeping the proceeds. You also need to make a note of the market value of the

shares on the date of this letter, as this will be the relevant figure for your tax claim.

AFREKID will reply, confirming that we accept the gift of the shares and authorising you to sell them on our behalf – acting as our agent. Once you receive our letter, you can then sell the shares and send AFREKID a cheque for the proceeds. AFREKID will send you a further letter confirming that the donation received is from the sale of the shares – keep this too for your tax claim, if appropriate.

**Selling your shares and covering them with a Gift Aid declaration means even greater benefit for AFREKID.**

If you do not stand to have any Capital Gains Tax advantage from the disposal of your shares (for instance, you have not reached and are unlikely to reach the allowable annual limit of gain), AFREKID could benefit even more if you sell your shares, send AFREKID the proceeds and can cover your gift with a Gift Aid Declaration. Provided you have paid enough tax in the relevant tax year, AFREKID can then increase the value of your gift by approximately 28p in the pound. If you are a higher rate taxpayer, you can still have a tax advantage, as you can claim the difference between what AFREKID reclaims – the basic rate 22 per cent and the higher rate of 40 per cent. If you pay tax at the basic rate only, the value of your gift to AFREKID will still be increased, but you will have no tax relief.

**If I prefer to do so, how do I actually transfer shares to AFREKID?**

**Do you have a paper certificate of the shares you wish to transfer?**

**Yes?**

- Then all you need to do is complete the Stock Transfer Form enclosed with this leaflet, filling the sections indicated, and signing it on the front and back. Send the Certificate with this Transfer form to the address at the end of this leaflet. If you are donating shares from more than one company, you can simply photocopy the form and use one for each company.

**No?**

- Contact the Registrars of the company and request a replacement Certificate. You will find their contact details on any correspondence you have from them. They will ask you to sign an indemnity form and they may make a small charge for making a replacement. When you have the replacement certificate, fill in the form as stated above and send it to the address at the end of this leaflet.

**Are your shares held by a broker in a nominee or Crest account? (i.e. held electronically)?**

(This was quite a common practice with many 'windfall' shares). If so, you will just have a statement. You need to fill in and return to AFREKID the Transfer Form marked 'Crest Transfer'. This holds the details of

Oxfam's broker, into whose account your shares will be transferred. Again, if you have shares from more than one company, you can just photocopy the form and use one for each company. Send the form to AFREKID (the address is at the end of this leaflet).

**If you are going to claim tax relief later, make a note of the value of the shares on the date of the transfer – this is the figure you will be able to get tax relief on. You can get this figure from papers like the Financial Times. Keep a copy of the Transfer Form, as you will also need this proof that you have transferred the shares to AFREKID.**

### **Can I transfer the shares into AFREKID's name myself?**

If you transfer shares to AFREKID yourself, using your own broker, please tell us, so we know that they are in our name and we can sell them straightaway, for the reasons outlined in the introductory paragraph.

### **My shares are not in a UK company.**

We can accept gifts of shares from some overseas companies. Contact us to find out if this will be possible. The contact details are at the end of this leaflet.

### **I only have a few shares. Is it worth AFREKID having them?**

The administration involved in AFREKID transferring and selling a small holding of shares may outweigh the financial return. Please contact us to check whether this is the case or not. We can discuss alternative arrangements if the holding is thought to be too small.

If you have any queries about your tax position, contact HMRC on 0845 9000 444 or visit their website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)



For more information about donating shares to AFREKID, contact:  
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