

INLAND REVENUE DIVISION

MINISTRY OF FINANCE

APPROVALS - DEEDS OF COVENANTS

INTRODUCTION

A tax deduction is allowable for an individual or company who makes payment(s) to a Charitable Body/Institution/Fund by means of a **Covenanted Donation**.

This deduction is equal to 15% of Total Income. (Companies and Individuals)

Covenanted Donation means

Payments made to a charity under a deed of covenant in favour of -

- (i) a sporting body of persons as Defined in Section 6(2) of the Corporation Tax Act and approved by the President in writing;
- (ii) an ecclesiastical, charitable or educational institution of public character approved by the President in writing;
- (iii) the Children's Life Fund established under the Children's Life Fund Act 2010

CHECKLIST FOR DEED OF COVENANT

There are two parties to the Deed of Covenant, the Donor – the Donating Company or Individual and the Donee – the Receiving Company.

1. The 6" space at the top front cover of the Deed must be left blank for IRD purposes only.
2. The receiving organization must be a registered Charitable Institution with the Ministry of Finance/Board of Inland Revenue.
3. The Board of Inland Revenue (BIR) File Number should be correct. There should be **no abbreviation** of names, addresses, or dates on the Deed of Covenant.
4. **All changes and alterations** to the Deed must be **initialled** by the Donor or someone in authority from Charitable Organization.
5. There must be a witness to the deed.
6. Witness must state their address and occupation.
7. Receiving Organization must place their official stamp or seal on the Deed.
8. Donor **(in cases of a company)** must place their official stamp on the Deed.
9. All names are to be written in **BLOCK LETTERS**, along with job position of everyone included.
10. Deed must be filled out in **BLACK INK**.
11. Deed must be done in triplicate, three original. **(NO photocopies)**
12. Annual amounts and period should be **WRITTEN OR TYPED IN WORD FORM**.
13. Must be done on **legal size paper**.