
Share giving

A guide for charities

How ShareGift works, how share giving works, and how they can both work for your charity



How it works

Share
Gift **50m**

We're celebrating giving
£50m to charities

[Sharegift.org](https://sharegift.org)

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1

Who are ShareGift?

ShareGift is the only specialist share donation charity in the UK and the only charity with our model in the world.

Since 1996 we have helped individuals and companies solve the problem of nuisance low value shareholdings.

We provide a cost-free solution for people to dispose of those unwanted assets that would otherwise have been too small or complex to sell.

We now work in a wide variety of ways with individual shareholders and companies in the financial services industry to create a pool of funding for charities in the UK which would not otherwise exist.

We can also accept much larger shareholdings – frequently handling five and six figure donations.

£50m+



Since 1996, ShareGift has given over £50million in grants to almost 4,000 charities and those numbers are growing all the time.



Meet the team

These are the key contacts for you at ShareGift. If, after reading this guide, you have any questions, please do reach out.



Tara Arnold
Head of Grant-making

Tara is our Head of Grant-making and would be your contact for anything relating to grants or promoting ShareGift to your supporters.

→ tara.arnold@sharegift.org



Jennie Hendrick
Head of Donor Care

Jennie is our Head of Donor Care and would be your contact for anything relating to donating shares.

→ jennie.hendrick@sharegift.org



David McIntosh
Chief Executive

David is our Chief Executive. ShareGift is a small team, so if you can't reach Tara or Jennie feel free to reach out with a query.

→ david.mcIntosh@sharegift.org



While we are a small team, in 2024 alone we gave £7.3million in grants to over 500 charities!"



2

How ShareGift creates funds

ShareGift works with individual donors and with corporate partners in all parts of the financial services industry to release the value locked up in small value shareholdings and related cash entitlements.

ShareGift creates a solution for those unwanted low value assets, it groups them together to make larger sellable holdings, and this then creates a pool of funds to distribute which would otherwise not exist.

ShareGift also accepts larger donations of shares which can be a very tax-efficient way for donors to support charities.





Why do Companies work with ShareGift?

Companies work with ShareGift because they support our aim of raising funds for the charitable sector, but also because it can often actually save them money to do so.

ShareGift has worked with some of the largest companies in the UK and works with all sorts of partners in the financial services industry in order to help clear unwanted shares and related cash entitlements.

Companies must administer every single shareholder regardless of the value of their shareholdings.

Small shareholders still need to be provided with reports, mailings and dividends, including those tiny shareholdings where the value may be outweighed by the administration costs. These shareholders are more likely to become 'gone aways'; disengaged shareholders who haven't updated the Company regarding a change of address and have lost track of their assets.

Shareholders in this position are often looking for a cost-free charitable way to dispose of their shares, and companies are happy to give them this option.

This is where ShareGift steps in to solve this problem by transferring small shareholdings into their name, as well as working with companies in a variety of ways to release the value of unwanted securities however they come about.

We receive free stockbrokerage, and many other charges that would apply to others are waived for us by our partners within the Financial Services industry. All of this means that we are able to keep costs down and give more to beneficiary charities.



Disengaged shareholders are often looking for a cost-free charitable way to dispose of their shares, and companies are happy to give them this option.

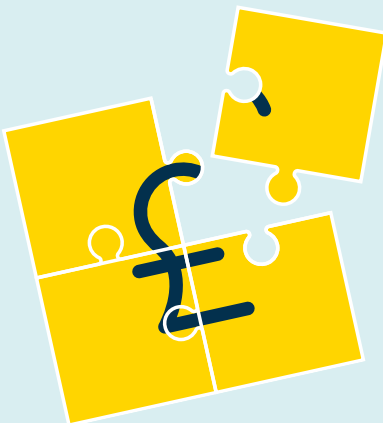
Why do people donate small shareholdings?

Generally, selling anything less than £100 worth of shares is a nuisance to shareholders, especially if they are held in certificated form.

However it **does not cost anything to transfer the shares as a gift**. This is why we have received hundreds of thousands of such donations over the years.

Whilst shareholders could give such holdings to any charity who can accept donations of shares, that would effectively be passing on a problem to the beneficiary charity. They would then hold and have to administer an asset with little value which they cannot economically sell.

Because we receive so many such donations every year, we are able to create a funding stream from these donations. The shares are amalgamated and sold when possible, to create an entirely new stream of funding for charities.





How does ShareGift work with donors?

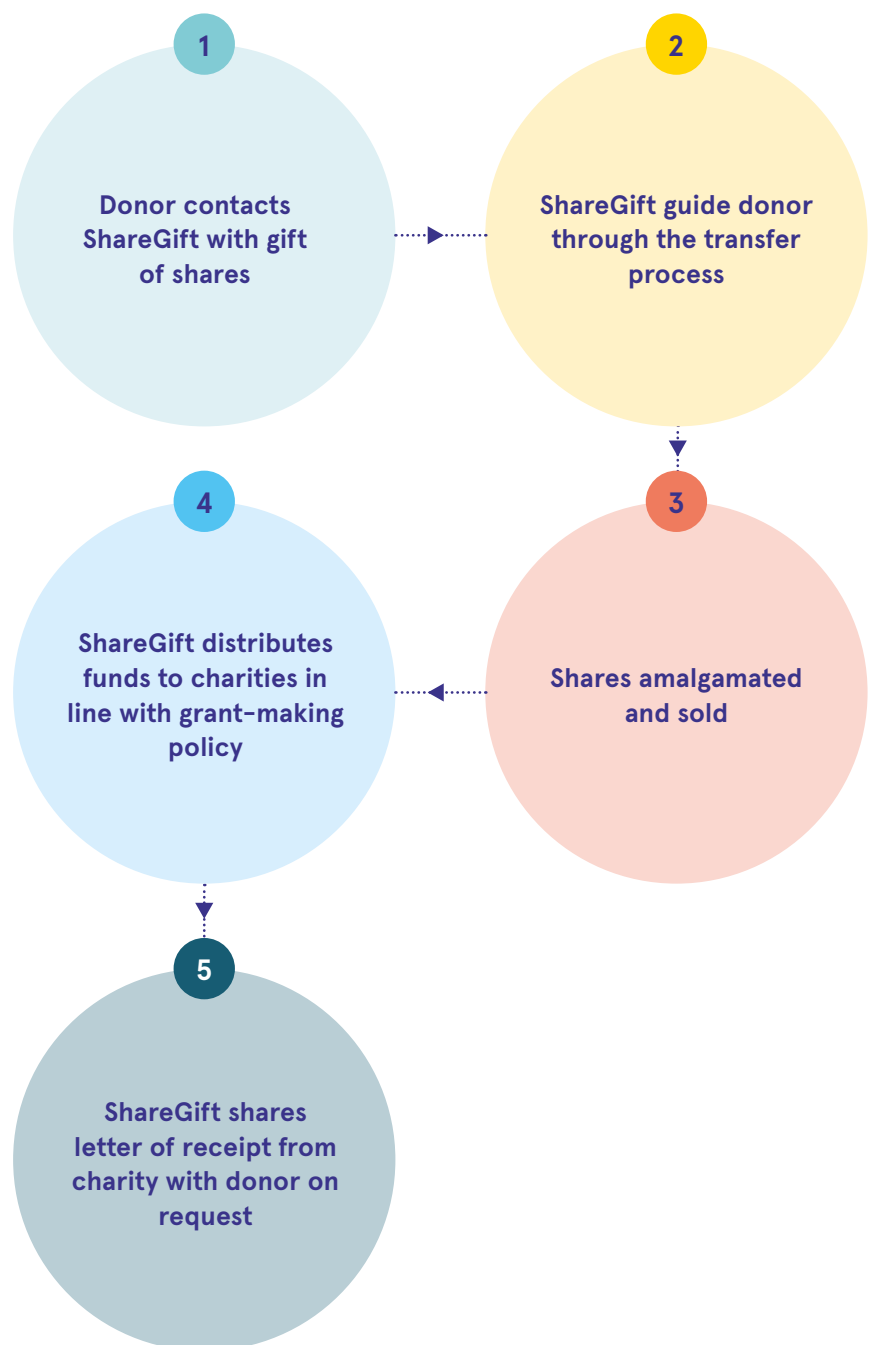
Anyone wishing to donate their shares, of any value, can contact us and we can talk them through the process, preparing paperwork and transfer forms when necessary.

Share transfers can be complicated, however we are specialists in this area with years of professional experience in the financial services industry within the team, and we aim to make the process as easy as possible.

We never make any charge to charities or donors.

We can and have done this for large share donations worth over £1million, down to shares that have literally no value. Providing we can transfer the shares, we are happy to do so.

We are not a fundraising charity, and we will never contact donors except in respect of the donation of shares they have presented with. More details can be found on our [Privacy Policy](#).



What about larger donations of shares?

ShareGift was set up to assist with unwanted small shareholdings, but we routinely deal with larger donations of shares as well.

Whilst the motivation for giving small amounts of shares is generally to dispose of a nuisance asset, giving larger donations is an excellent way for donors to make philanthropic donations.

When we refer to Large Donations internally, we are referring to any donation of shares worth in excess of £500.

We use this distinction as this is around the level when we can sell those shares on their own without having to amalgamate them with other holdings first.

We have a specific way of working with Large Donors. You and your donors can **[refer to these notes on our website here](#)** for how it works.

There is no upper limit on the value of shares we can accept.

Why would large donors go to ShareGift rather than go directly to charities they wish to support?

Our donors come to us for a number of reasons including:

- 1 The charity they wish to support is not set up to accept share donations
- 2 They have a complicated share transaction which a charity cannot deal with
- 3 They wish to support a number of charities from a single donation
- 4 They wish to remain anonymous to beneficiary charities.



If your donor wants to give shares to you directly and you are able to easily accept them, then you should do so. Part of what we do is give pro bono assistance to charities on dealing with donations of shares. If you have any questions – [get in touch](#).

Donating shares is one of the most tax-effective ways to give to charity

Donating shares can make financial sense for your donors – giving HMRC qualifying shares to charity means an individual may be able to claim Income Tax relief on the value of shares as well as exemption from Capital Gains Tax.

The amount of tax that can be claimed back varies from person to person – typically someone who pays a higher rate of tax can claim £400 tax relief on a £1000 donation of shares. A standard rate taxpayer could claim £220 tax relief if £1,000 of shares is donated.*

To make a claim a person would need to disclose the donation on their self-assessment tax form. When selling a shareholding the individual would keep a copy of the transfer form or evidence of the gift, as well as a note of the shares sold and the date they were sold.

A gift of shares to charity is not an event for Capital Gains Tax purposes. This means they would not be liable for any gain on the shares that they donate, nor would they be able to crystallise a capital gains tax loss.

To qualify for tax relief, the shares or securities must be:

- listed or dealt on a recognised stock exchange
- units in an authorised unit trust or Open Ended Investment Company

We don't give tax advice – and neither should you!

You must avoid giving tax advice to your donors – they should get tax advice from a qualified professional. However you can point them towards useful resources. [The HMRC Guidance Notes on Giving Shares to Charity](#) will explain everything they need to know about how this works.

*Figures are for illustration purposes and are liable to change subject to underlying tax rates



A standard rate taxpayer could claim £220 tax relief if £1,000 of shares is donated*.





3

How ShareGift choose charities to support?

There are three things which influence the donations that we make:

- 1 The first, and most important, is donor suggestion. Whenever we receive a suggestion from a donor this is logged on our system and this feeds into the donations we ultimately make.
- 2 We look at the value of donations linked to any suggestions, and the number of suggestions we receive for different charities.
- 3 We also consider suggestions from our corporate partners and do independent research into beneficiary charities we may wish to support.

Grant-making at ShareGift is done in monthly distributions. These distributions are put together by the Executive team, led by the Head of Grant-making, and are agreed by the Executive team with Trustee oversight.



How can my charity receive funding from ShareGift?

ShareGift does not accept applications for funding.

The good news here is that there are no grant applications to write! However there are things you can do to significantly increase the likelihood you have of receiving a grant from ShareGift and the frequency of those grants.

Many people simply do not know that they can donate shares.

The easiest way to increase your chances of receiving funding from ShareGift is to promote share giving through your supporter base.

There are several ways to promote share giving to potential donors:



! Share giving can be embedded through multiple channels to raise awareness through your networks about share giving.

Promoting ShareGift through your website and social media



Most charities have a 'support us' section on their website. The simplest way to promote share giving and receive a donation from ShareGift is to post the following on your website's 'support us' page.

How does it work?

Have shares which are uneconomic to sell? Help support us by donating your small shareholdings to ShareGift, the share donation charity. ShareGift specialise in accepting small shareholdings that would cost more to sell than they are worth, generating substantial funding for charities. ShareGift also accept larger donations of shares.

Simply mention ***name of charity*** when you make your gift.

Who are ShareGift?

ShareGift is an independent UK registered charity (No. 1052686) which specialises in releasing the money locked up in small shareholdings, but accept donations of any size. ShareGift works by collecting together small lots of shares until there are enough to sell and then donating the resulting proceeds to a wide range of charities.

To date ShareGift has donated over £50million and supported thousands of charities. ShareGift make their grants based upon a variety of factors including the suggestions of their donors. You can help support ***name of charity*** work by donating any size of shareholdings you may have to ShareGift, and mentioning ***name of charity***.

Simply visit www.sharegift.org or reach out to the team on 020 7930 3737 or help@sharegift.org

! If you do choose to add this wording on your website, please feel free to contact us to double check the wording, or any additional wording you may wish to add.

! If you have previously received a grant from ShareGift mentioning how much you have received in the past can reinforce the value of ShareGift to your donors, please feel free to get in touch with us to confirm how much you have received from ShareGift previously.

Promoting ShareGift



Key dates to consider

Generally, the end of the financial year is our busiest time to receive donated shares, especially large donations, and many people are not aware that they can donate shares to charity.

Simply by promoting share giving on your socials in January, February and early March you could raise awareness to your supporters who may be looking to make donations in a tax-efficient way.

We have also noticed that some charities receive bumps in share donations after events, for example, environmental charities may receive a spike in donations after a COP, or other charities may receive donations after they have received press.

Whatever way your charity currently uses wider events and exposure to maximise donation requests, add a sentence about share giving.



Corporate partners

There are several ways that share giving can maximise corporate donations:

- Share giving aligns with corporate CSR policies regarding supporting charities, but also their environmental policies due to the waste that administering small shareholdings creates.
- It is beneficial for corporates to engage in share giving to increase charitable outcomes. ShareGift can work with company secretaries to release the value in small shareholdings and unclaimed assets, which substantially maximises the amount a corporate can donate.
- Some companies give employees shares as part of their benefits package – these are often referred to as Share Plans. ShareGift and share giving can be incorporated into Share Plans.
- If your charity undertakes any corporate events, strike while the iron is hot. In your follow up communications/take away materials mention share giving.
- If you have a corporate board (or even a Major Donor board/very engaged trustees), you can ask them to work with you to understand how to promote share giving within their companies, and also how they as individuals currently donate shares to charities.



It is beneficial for corporates to engage in share giving to increase charitable outcomes. ShareGift can work with company secretaries to release the value in small shareholdings and unclaimed assets, which substantially maximises the amount a corporate can donate.



Promoting ShareGift



Supporters and Members

An adaptation of the text used on [page 13](#) for your website and newsletters can be used to promote share giving to your supporters (if you do this, please contact us so we can double check the wording).

If you have a direct marketing or membership department, they could include this on communications to donors combined with social media communications, aligned with either the end of the tax year or key dates in your charity calendar or after events.



Major Donors

Share giving can be a really tax-efficient way to donate, and should be part of any fundraisers toolkit, especially when working with Major Donors.

Many people hold shares for a long time, and they may simply not want those shares anymore, they could be a nuisance, they may not align with their values, or they may simply just want to donate them!

If you feel it is appropriate you can promote share giving to your major donors, or, depending on your relationship with them, ask them how they think share giving could be promoted to major donors. Your major donors may also fall under the corporate category if they are a senior employee at a publicly traded company.



Trustees

Promote share giving to your trustees. You may have a Trustee who either works in industry or they have close connections that do, if they are the CEO of a publicly traded company then your charity could look at several ways of maximising donations outlined in the corporate and Major Donor category.



Many people hold shares for a long time, and they may simply not want those shares anymore, they could be a nuisance, they may not align with their values, or they may simply just want to donate them!



4

Charity FAQs

ShareGift operate completely differently to most grant makers. We've answered some of the questions most frequently asked of us on the next few pages.



Charity FAQs

1 Do charities have to register with ShareGift?

No. There is no registration process; ShareGift can support any UK registered charity subject to due diligence.

2 Can people who donate shares suggest a charity to donate to?

Anyone who donates to ShareGift can suggest a charity or charities that they wish to support.

3 Who does ShareGift support?

ShareGift is cause-neutral – meaning that we can give to any area of charitable work, and we aim to make grants to every qualifying charity suggested to us. Our Head of Grant-making will undertake due diligence on the charity. You can find more information on what we look for at the bottom of this pack. You can also find our grant-making policy [here](#).

All the grants we make are ultimately at the discretion of ShareGift – however we always try and support qualifying charities that are suggested to us, and this is part of the reason why we have supported so many charities to date.

4 How do you identify charities to support?

ShareGift always make unrestricted grants, we do not accept proposals as we are led mainly by our donor suggestions, but also by corporate partner suggestion and our own research.

To diversify the causes we support, the research we undertake is based on specific themes which we identify. **We do not share themes in advance, and we do not accept applications in respect of our themed distributions.**

5 Can you tell us who suggested our charity?

Due to UK GDPR we cannot share details of our donors who may have suggested your charity, but the grant made would be coming from ShareGift regardless.

Donors are always welcome to contact charities directly to let them know that they have donated to ShareGift.

Where shares have been donated that are worth over £500 (what we consider a large donor), or where the donor has explicitly shared very personal reasons for the donation, we will share the letter of receipt from the charity with our donor. However, the grant, ultimately, comes from ShareGift.

Large grants and those suggested by multiple donors will be prioritised in giving. Our grants committee meet once a month to approve grants.

6 Do you give multi-year grants?

Unlike most grant-makers, our model does not support multi-year funding. All grants we make are standalone.

7 Do you sell a donors shares and send the exact proceeds to suggested charities?

No. ShareGift is not a conduit or stockbroking service for charities. Most of the shareholdings we receive are worth less than £20, and we do not make grants for £20! Because so many of the assets we receive are given to us without a charity suggestion we are typically able to make larger donations to suggested charities. All the donations we make are from a pool of funds and subject to our grant-making policy.

8 Does the grant come from the donor or ShareGift?

The grant comes from ShareGift, not any underlying donor.



Charity FAQs

9 Do ShareGift ever promote charities to donors?

No, ShareGift do not, and never will, advise donors which charities to give to. There is no way for us to connect charities with potential share donors for 'cold' donations. The best way for you to increase the chances of receiving funding from ShareGift, is to promote ShareGift to your supporters.

10 What kind of amounts does ShareGift award?

In 2024 ShareGift awarded grants from £500 to £600,000. We are equipped to handle share donations of all sizes.

We purposely do not make step change donations to charities and would rarely make donations that are more than 15% of a charity's turnover. We can occasionally make exceptions for this for very small charities but this decision will be made on a case by case basis.

The grants we have made in the past are published with [360Giving](#) and you can access this information on our website here. All the grants we make are standalone, and past grants are not indicative of grants we may choose to make in the future.

11 Can we restrict the donation to a specific project?

Charities can apply grants however they wish.

12 Do ShareGift have a hardship fund?

No we do not. We are reliant on share donors to suggest charities to receive grants, and are unable to respond to funding requests.

13 What will be expected of us if we are chosen to receive a grant from ShareGift?

We make our grants by bank transfer wherever possible.

If you are chosen to receive a grant from ShareGift and we do not hold your payment details on file from a previous grant, we will reach out to you to confirm and verify bank details in line with our audit requirements. If we are unable to verify bank details in this way we will complete the grants by cheque payment.

We do not require impact reports or other updates.

14 How can we acknowledge the grant?

We require confirmation of receipt of funds for our audit records. All receipts should include the amount of the grant.

If you would like to thank us on social media, annual report, or any other communications then please do so.

15 Will my charity receive the full value of shares donated to ShareGift?

ShareGift is not a stockbroking service for charity or a conduit – we do not just sell shares and remit the exact proceeds to beneficiary charities. However neither do we take a commission or fee.

We make grants in round figures, based on a number of factors including the value of shares donated to us. As an independently philanthropic charity, we typically make grants in excess of the value of shares donated to us as- although we cannot guarantee this. We are generally able to do this because most of the small donations of shares we receive come to us without any charity suggestion attached.

! Please note that we cannot correspond with charities about the exact timings or amounts of our grants in advance.



Charity FAQs

16 Do you require impact reports or updates?

ShareGift does not require impact reports. All we require in respect of the donation made is confirmation of receipt of funds.

We are a small team and typically support over 500 charities a year so we are unable to read impact reports, as tempting as it can be for a charity to send them. We do enjoy seeing social media posts we are tagged in though!

17 Does ShareGift make any charge to charities or donors?

No – ShareGift never charges donors or charities for the work that they do.

18 What value shareholdings do ShareGift accept?

ShareGift accept donations of any size, but we specialise in releasing the money locked up in small shareholdings. While ShareGift can accept shares of any value, most share donations we receive are worth £20 or less. ShareGift works by collecting together those small lots of shares until there are enough to sell, and donating the resulting proceeds to a wide range of charities. ShareGift are equipped to accept shareholdings of all sizes.

While we specialise in small donations, we regularly receive individual shareholdings worth tens of thousands of pounds and more.

19 So how does ShareGift cover their costs?

All of the money we receive from donated shares is automatically designated to grant-making – meaning any funds we create from the sale of donated shares forms a pool of funds to be released as grants to charities.

Our costs are covered by several sources, including income from the portfolio of donated assets we hold, donated services, cash donations, and drawdowns from our Investment Portfolio.

Only a small proportion of the funds we receive each year from these sources are required to cover our costs – the remainder are used for making more grants to charities. For the year 2024-25 our costs are covered in full by part of the proceeds of a legacy left directly to ShareGift.

20 Can I get advice on share donations from ShareGift?

We also give pro bono assistance to charities about share donation and share giving in general to assist the sector maximise income from this valuable income stream.

21 Does it cost ShareGift anything to sell their shares?

We work pro bono with partners who provide us with free brokerage.

22 Can ShareGift accept shares in companies overseas?

Yes we can, in most instances. We ask donors to send us details of their shareholding and advise them how to proceed in each instance.

23 Is it just shares?

No, we also accept all other securities, providing we can transfer them, and related cash entitlements.

24 Can people donate shares in their wills?

People can leave gifts of shares in their wills. This can be complex, but please contact help@sharegift.org and we will be happy to assist.



5

Tips for what funders look for

All funders undertake due diligence on charities, and while this is different for each funder, there are certain factors we look for to reassure us that a charity is financially and reputationally viable and can ultimately be awarded a grant.

The tips below relate to generally what we find helpful as funders, as well as what we specifically look for. Our own due diligence template in the appendix should you require more details on this.



Top 10 tips for what funders look for

1.

The most overlooked one is having a direct phone number with a named person to speak to! Smaller charities and large charities are usually quite good at providing this, but as a funder it is sometime impossible to contact someone to give money to! At ShareGift, as part of our policy, we need to verbally confirm bank details (as do many funders). It is hugely time consuming for all funders.

2.

When ShareGift contact a charity, it is generally after the trustees have approved distribution, so we will donate to that charity. But many funders do not operate like this, and if they fail to connect with someone they will move onto a charity where they can speak to someone. Having a non-generic phone number to a named person helps.

3.

We love it when bank details are on a charity website, and know many large and local charities already do this.

4.

Many funders want to ensure the charity is guided by people with lived experience of the cause. Do your Trustees or senior managers reflect the communities that you serve? How are you being guided by your beneficiaries or is the work done in a silo? What case studies do you have? Where is the beneficiary voice?

5.

In the accounts we look for a going concern from the Trustees, with a visible signature from the auditor (whether the accounts are part of an audit or an independent exam).

As well as looking generally for issues with accounts, if accounts are qualified – i.e. they have been qualified by an auditor or independent examiner as part of the filing process – this is cause for concern.

6.

Reserves policy – firstly, having one, and then this being at a minimum of three months. We also look at past accounts to ensure the reserves level has been met for the past three years. We do understand that covid and the cost of living crisis have affected everyone.

7.

Proportionality of CEO salary to income. We expect everyone in the charity sector to be paid for their work so that they are not just surviving but thriving. However, if your income is, for example, £600K and the CEO salary is £145,000, then this raises questions.

8.

Funders feel reassured by safeguarding policies.

9.

A simple one, but always acknowledge receipt of funds! Please send us a thank you letter and confirm receipt of funds when you receive them.

10.

Funders appreciate getting a shout out on social media. Check with the funder which socials they are most active on, and double check any wording with them first.

! If you have any other questions, or would like to check wording, please contact help@sharegift.org



Due diligence checklist

When undertaking due diligence we assess charities against the following checklist:

1 Is the charity (newly) registered with the Charity Commission / national equivalent?

2 How much is their most recently reported annual income figure?

3 Have their most recent or previous accounts been 'qualified' by their auditor or independent examiner?

4 Is the charity deemed to be a 'going concern' by its trustees?

5 Does the charity receive a large proportion of its income from the Government in the forms of grants or contracts?

6 What are the different income streams the charity has?

7 Does the charity appear to be well-governed and are their filings e.g. annual returns, accounts etc up to date?

8 What is the level of charity reserves in policy and in reality, how does this compare to the past two years?

9 Does the charity have policies in place which are relevant to its purpose and activities?

10 Is the charity's contact information complete?

11 Do the charity's trustees have other trusteeships?

12 Is the charity under investigation by the Charity Commission or national equivalent?

13 Is the safeguarding policy available on the website?

14 Does the charity demonstrate financial rigour - a member of staff separate from the CEO who undertakes finance/ Treasurer on Board/ mention of external organisation that undertakes finances?

15 Diversity of their senior staff and Board - How does this reflect the makeup of their beneficiaries?

16 What is their impact so far and how do they demonstrate impact? Case studies, infographics, feedback etc



Due diligence checklist

17 How does the charity amplify the voices of the communities they serve

18 Decision making - If applicable, how does the charity show that it incorporates the views and lived experiences of beneficiaries i.e. how are services users involved in co-design - user board, staff/trustees with lived experience etc

19 What is the charity's public profile overall?

20 How does the charity head count compare over the past three years? Have there been large drops in staff numbers, or mentions of redundancies and restructures in the annual accounts?

21 Are there any news articles related to the charity?

22 What is the impression of leadership and staff views from Glassdoor and Indeed, if the charity has reviews?

23 Does the charity have any celebrity ambassadors?

24 Has their Chair/CEO ever suddenly stepped down from a role?

25 Who is their CEO and Chair? What is their background

26 Are the charity's founders, management team or trustees public figures or politicians?

27 What is the nature of the charity's work set against the current media / political / social / financial / public context?

28 Does the charity engage in work in areas of geopolitical unrest?



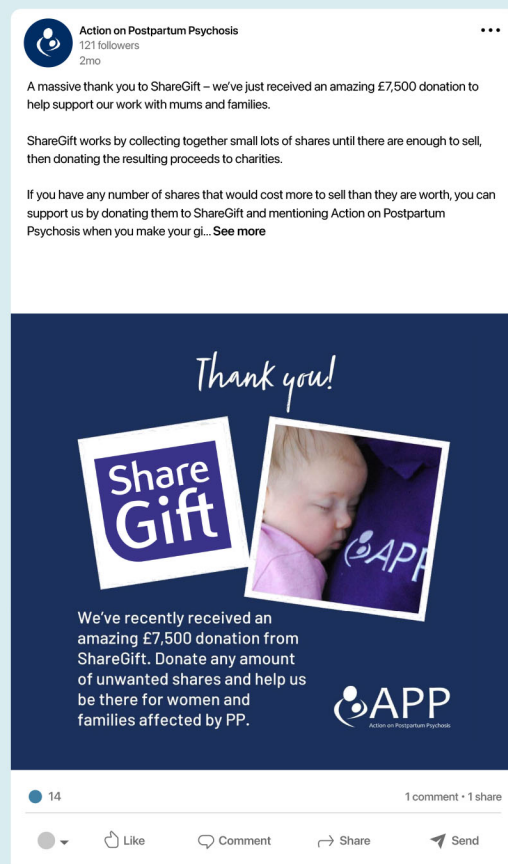
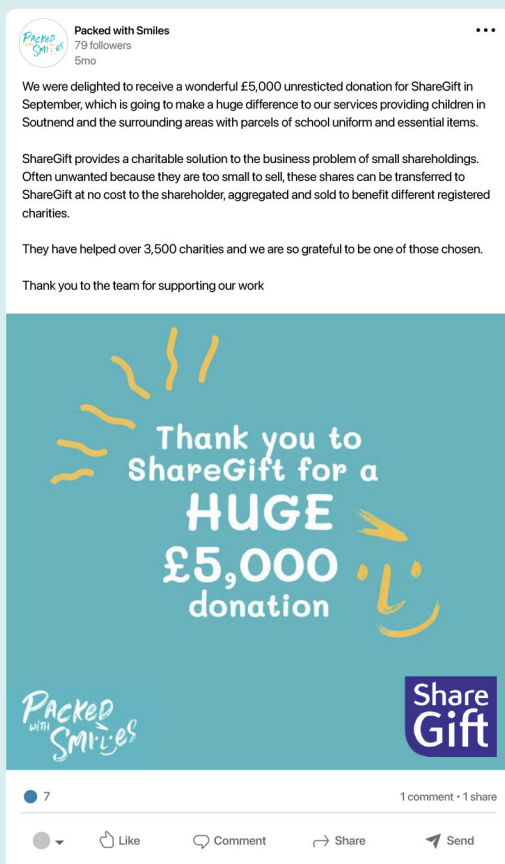
Thanking and Promoting ShareGift

We are frequently asked by charities how they can thank us for their grant or promote share giving. While it is up to the charity how to thank us for the grant, we do ask that if promoting share giving you include the following wording:

ShareGift collect small lots of shares and donate the funds created to charities. Often unwanted because they are too small to sell, these shares can be transferred to ShareGift at no cost to the shareholder, aggregated and sold to benefit different registered charities. ShareGift can also accept larger donations of shares. If you have shares that for whatever reason you no longer want, you can help support ***name of charity*** by donating them to ShareGift and mentioning ***name of charity***.

Please see the charity social media posts below for inspiration, and do get in touch if you would like us to check any wording or to request the ShareGift logo, please email:

➔ help@sharegift.org





6

About shares

A lot of charities are nervous of share donations because it can be complicated and they may not have specialist knowledge in that area. However, share giving can be a great way for your donors to support you, and this should be a part of every charities fundraising toolkit.

But I don't know anything about shares!



What do you mean when you refer to shares?

Shares is typically a word used in the finance world to refer to equities – units of ownership in an individual company.

We use shares in a more colloquial sense to cover all sorts of securities and financial instruments held in the UK and overseas. This includes equities, collective instruments such as Unit Trusts and OEICs, Investment Trusts, Bonds, Gilts and much more.



As long as we can arrange the transfer of securities we are happy to accept them.



What are shares?

Shares are units of ownership in a company which are typically bought as investments but can also be transferred as gifts or legacies. The individuals that own shares can have anything from a single shareholding that is worth a few pence, to portfolios of shares worth millions. 12million people in the UK own shares, which amounts to over £200 billion in investments.

A company's share price can increase or decrease in value based on a number of factors, including of course the performance of that company. Shareholders may be entitled to a share of profits that the company earns in the form of dividends.



12 million

people in the UK own shares, which amounts to over £200 billion in investments.



How do people hold shares?

People hold shares either in a **nominee** or in their **own name**.

When people hold shares in a nominee, those shares are held on their behalf by a third party; that could be a stockbroker, wealth manager or other authorised firm. They may charge fees for holding those shares, buying and selling within the account, or other services they provide.

When the shares are held by someone who simply acts on instructions from the owner of the shares that is called an **execution only account**. These accounts will tend to charge relatively low fees.

Shares can also be held in an **advisory account** where the third party holding the shares will give advice on investments and wealth planning. Those shares will be held electronically.

When people hold shares in their own name they will often still hold share certificates – a physical piece of paper indicating ownership. Share certificates are an old-fashioned way of holding shares, but there are still tens of millions of valid share certificates in the UK. People holding share certificates are not charged simply for holding their shares, as they are in a nominee, but they will have to do all the administration regarding the shareholdings themselves.



How does selling shares work?

Often when people think of stockbrokers, they think of the Wolf of Wall Street, with men in striped shirts and big phones yelling ‘SELL, SELL, SELL!’. The reality is a bit different!

When shares are held in a nominee the shares will be held electronically – as a digital record. The shares can be traded almost at the push of a button, and funds are generally received within a couple of working days. Fees will vary depending on the size of the trade and the type of share being sold, but as a rule execution only accounts may charge around £7 – £15 to sell shares, advisory accounts would typically be more expensive.

Because selling share certificates is more complicated and takes longer, there tends to be a much higher cost; a minimum fee of £70 is typical, and it may take weeks to receive the proceeds. The alternative is to “dematerialise” the shares – convert the paper certificate into an electronic share with a nominee. However this will take time and considerable administration if you do not already have a nominee account.

Find out more

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