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Date: 22 May 2025

Dear

<u>Reassessment of complaints made about The Institute of Economic Affairs Limited, 235351</u> ('the Charity')

I write further to my email to your colleagues of 22 January 2025, in which I introduced myself. and I was assigned the task of reviewing the complaints about the Charity from the Good Law Project (the 'GLP').

Firstly, I want to say that it is regrettable the assessment has taken longer than expected. This was due to the complex nature of the issues involved and the need to prioritise our caseload by risk of harm to the sector.

<u>Outcome</u>

I have identified potential regulatory concerns – detailed below – that I am now engaging with the Charity to understand further. I have opened a regulatory compliance case to examine the concerns and have not made any findings at this time.

Background

As you are aware, on 13 March 2024 the GLP raised a number of complaints about the Charity and its activities. The complaints can be summarised as follows:

• The Charity's published materials (with reference to numerous publications from 2023) fall foul of the Commission's published guidance relating to the advancement of education for the public benefit. Specific reference is made to, as the Complainants see it, reports and materials published by the Charity promotes a single, preconceived position on economic policy without offering alternative perspectives.

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- The Charity is fundamentally political in nature, since its purpose is to bring about policy change. The Complainants go further and state that the Charity is party political, as it engages extensively and almost exclusively with MPs from the Conservative and Unionist Party.
- The Charity's creation and support of two unincorporated bodies (i) 1828 and (ii) Free Market Forum may amount to a breach of the Commission's guidance for charities with a connection to a non-charity. Additionally, the Charity's support for both organisations does not appear, to the Complainants, to amount to an investment that advances the Charity's objects, in which case it is not expenditure that the Charity can justify.

Following an assessment of the complaints, the Commission concluded that there were no regulatory concerns regarding the Charity as communicated to the GLP on 25 March 2024.

On 10 May 2024, the GLP sought a reconsideration of the Commission's decision. In consequence of this request, the Commission reviewed its original decision and determined on 7 October 2024 that there was a need to re-conduct an assessment of the information provided in the GLP's letters.

The reassessment was not limited to responding only to the specific points raised in the letters from GLP. Therefore, I have also conducted open-source research and looked through the Commission's systems to check for any relevant information and connected regulatory concerns, in accordance with <u>our published risk framework</u> and usual approach.

Potential regulatory concerns

Having carefully reassessed the complaints and considered the relevant information readily available, I have identified potential regulatory concerns that I will examine further in this regulatory compliance case.

The potential regulatory concerns relate to the trustees' management of:

- perceptions of potential political bias;
- perceptions of a potential lack of transparency around funding; and,
- perceptions that the charity may have pre-determined policy positions which would not be in keeping with its charitable purposes to advance education.

Next steps

As set out above, I am now engaging with the Charity and examining the potential regulatory concerns in a regulatory compliance case.

I will notify you at the conclusion of the regulatory compliance case or if I require any further information from you during it.

Thank you for raising your concerns with the Commission.

Yours sincerely,