

What is a Community Interest Company (CIC)?

A Community Interest Company (CIC) is a limited company, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.

CIC's have more freedom than charities as they are permitted to operate as businesses to provide a service. Most operate with a structure similar to any other limited company. However they still have to pass a Community Interest Test to prove that they exist to provide a service that is for the public good.

CIC's also have an asset lock established as part of their governing document. This prevents the profits or assets of the CIC being used for private gain. CIC's reinvest any profit they make in the provision of their services in much the same way as a charitable organisation would.

You can find out more about what it means to be a Community Interest Company (CIC) by visiting the regulators website: www.bis.gov.uk/cicregulator