

COMPARATIVE CHARTS OF FOUNDATION LAWS (2009)

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1. Purpose of a foundation

Country	What purpose are foundations legally permitted to pursue?
Austria	Public benefit foundations must pursue public benefit purposes, whereas private foundations (governed by different laws) can pursue private or public benefit purposes (except profit-making).
Belgium	Public benefit foundations must serve the public benefit purposes specified by the law, private foundations may also serve private interests.
Bulgaria	Both public and private benefit.
Cyprus	Both public and private benefit depending on the type of foundation.
Czech Republic	Public benefit only.
Denmark	Both public and private benefit. Commercial foundations can also be profit-making, with a regulation on the distribution of profit.
Estonia	Both public and private benefit.
Finland	Both public and private benefit, a “useful” purpose.
France	Public benefit only.
Germany	Both public and private benefit.
Greece	Both public and private benefit.
Hungary	Public benefit only.
Ireland	Public benefit only.
Italy	Both public and private benefit.
Latvia	Both public and private benefit (except profit-making).
Lithuania	Public benefit only.
Luxembourg	Public benefit only.
Malta	Both public and private benefit
Netherlands	Both public and private benefit, but with a regulation on the distribution of profit in the case of private benefit.
Poland	Public benefit only.
Portugal	Public benefit only.
Romania	Public benefit only.
Slovakia	Public benefit only.
Slovenia	Public benefit only.
Spain	Public benefit only.
Sweden	Both public and private benefit.
United Kingdom	Public benefit only.

2. State approval and/or registration

Country	Is state approval and/or registration required in order to set up a foundation?
Austria	Public benefit foundations: Approval by local authorities (provincial or federal) and registration is required. The State has no discretionary power. Private foundations: registration at the company register.
Belgium	Public benefit foundations: State approval is required. Statutes must be published in the Belgian Gazette. Private foundations have to communicate their statutes to the competent court.
Bulgaria	Court registration is required. Public benefit foundations also have to register in a special Central Registry at the Ministry of Justice. State approval is not required.
Cyprus	According to the type of organisation, State approval is required.
Czech Republic	Registration is required.
Denmark	Foundations have to register with the local foundation authority and local tax authorities.
Estonia	Registration is required.
Finland	State approval and registration are required.
France	State approval and registration are required.
Germany	State approval is required and in certain cases, depending on federal state law, registration
Greece	State approval is required but registration is not.
Hungary	Court registration is required.
Ireland	Registration is required.
Italy	Registration is required.
Latvia	Registration is required.
Lithuania	Registration is required.
Luxembourg	State approval and registration are required. Statutes must be published in the Official Gazette.
Malta	Registration is required.
Netherlands	Registration is required.
Poland	Registration is required. State approval is required only if a foreign foundation wants to establish a representative office in Poland.
Portugal	State approval and registration are required.
Romania	Registration is required.
Slovakia	Registration is required.
Slovenia	State approval and registration are required.
Spain	State approval and registration are required.
Sweden	Registration required. As of 1st January 2010, all foundations, with the exception of family foundations, must be registered with the County Administrative Board.
United Kingdom	Approval from the Charity Commission and registration are required.

3. Minimum capital

Country	Is a minimum capital required to set up a foundation?
Austria	Not for public benefit foundations, but assets have to be sufficient to pursue the proposed public benefit purpose. Private foundations: yes, 70,000 euros.
Belgium	Public utility foundations: the law does not stipulate a minimal amount but the Ministry of Justice requires a minimum capital of 25,000 euros as the initial contribution. Private foundations: no minimal contribution is required
Bulgaria	No
Cyprus	No
Czech Republic	Yes, approximately 18,000 euros.
Denmark	Yes, 34,000 euros. For foundations with smaller assets the approval of the authorities is needed.
Estonia	No
Finland	Yes, 25,000 euros.
France	No, but in practice a minimum of 1 million euros is required by the authorities in order to give their approval and grant public utility status.
Germany	No, but assets have to be sufficient to fulfill the purposes of the foundation (a minimum of 50,000 euros is normally required by the authorities).
Greece	No, but assets have to be sufficient to fulfill the purposes of the foundation.
Hungary	No, but assets have to be sufficient to fulfill the purposes of the foundation (approximately 400-1000 euros is requested by the authorities).
Ireland	No
Italy	No, but assets have to be sufficient to fulfill the purposes of the foundation (a minimum of 100,000 euros is considered adequate to operate nationwide).
Latvia	No
Lithuania	No
Luxembourg	No, but assets have to be sufficient to fulfill the purposes of the foundation (a minimum of 100,000 euros is generally required by the authorities).
Malta	Yes. A minimum of 1,200 euros is required for private foundations and 240 euros for foundations with a public benefit purpose.
Netherlands	No
Poland	No, but for foundations engaged in economic activities approximately 256 euros are required.
Portugal	No, but assets have to be sufficient to fulfill the purposes of the foundation (in practice, a minimum of 250,000 euros is required by the authorities).
Romania	Yes. Assets, either cash or in-kind, totalling at least 100 times the national minimum gross salary on the date that the organisation is created.
Slovakia	Yes, each founder's contribution should be at least 600 euros and the minimum capital 6000 euros.
Slovenia	No
Spain	Yes, 30,000 euros is normally presumed sufficient.
Sweden	No
United Kingdom	No

4. Governing organs of a foundation

Country	What are the mandatory governing and other organs?
Austria	Public benefit foundations: Governing board. Private foundations: Governing board, accountant, supervisory board of trustees.
Belgium	Governing board of at least 3 members, a statutory auditor for large organisations.
Bulgaria	Public benefit foundations: 1 collective and supreme organ and 1 managing organ. Private foundations: minimum of one governing body which may be composed of 1 or several individuals.
Cyprus	Charitable trusts: Board of trustees. Institutions: Managing Board. Companies limited by guarantee: Board of Directors.
Czech Republic	Governing board of at least 3 members and a supervisory board or comptroller.
Denmark	Governing board of at least 3 members and an accountant or auditor for non-commercial foundations.
Estonia	Governing board of at least 1 member, council of at least 3 members and an auditor.
Finland	Governing board of at least 3 members.
France	Foundations can choose to have either a supervisory board and an executive board, or a managing board.
Germany	Governing board.
Greece	Governing board.
Hungary	A managing board (or organisation). In the case of public benefit foundations with revenues exceeding 5 million HUF (approx. 18,600 euros), a supervisory board is required.
Ireland	Governing board of at least 3 members.
Italy	Governing board. Foundations of banking origin: governing board, executive committee, auditing committee.
Latvia	Executive board of at least 3 members and an auditing institution.
Lithuania	Governing board, an inspector or auditor.
Luxembourg	Governing Board / Directors have to be appointed when setting up the foundation.
Malta	A Board of Administrators is required.
Netherlands	Governing board.
Poland	Governing board.
Portugal	Private social welfare foundations: governing board and supervisory committee. An uneven number of governing board members is required.
Romania	A Board of Directors and an auditor or committee of auditors are required.
Slovakia	A board of trustees, an Executive Director, a supervisory board (if the foundation's assets exceed approx. 149,000 euros) or an inspector.
Slovenia	A board of trustees of at least 3 members.
Spain	A governing board of at least 3 members.
Sweden	Foundations "under their own management" require a governing board. Foundations "under attached management" are managed by a legal entity or administrator that acts through its governing body. Foundations must have at least 1 auditor.
United Kingdom	A board of trustees is required.

5. Economic activities

Country	Are economic activities (related/unrelated) permitted?
Austria	Yes, within the objectives of the public benefit foundation. Private foundations must not engage in primarily commercial activities but can have ancillary economic activities.
Belgium	Yes, if the foundation maintains its non-profit purpose and profit is used for statutory purposes.
Bulgaria	Yes, if related to the basic objectives of the foundation and revenues are used for statutory purposes.
Cyprus	Yes. There is no restriction in law but the common law principle is that activities should be related to the basic objectives of the foundation and profit used for statutory purposes.
Czech Republic	No, but with some exceptions (real estate leases, lotteries, raffles, public collections, cultural, social, sport and educational events).
Denmark	Yes, even non-commercial foundations may carry out small-scale economic activities. Larger scale commercial activity is regulated by the Act on Commercial Foundations.
Estonia	Yes, but only for purposes specified by the foundation statutes.
Finland	Yes, if related to the basic scope of the foundation and if profit is used for statutory purposes. Commercial activity should not constitute the main part of the organisation's activities.
France	Yes, provided they support the public benefit purpose of the foundation (for endowment funds the same conditions apply).
Germany	Yes. Related economic activity is allowed. Unrelated economic activity is also allowed. If the annual income from this activity does not exceed 35,000 euros, it is not taxed
Greece	Yes, provided that such activities are related to the basic objectives of the foundation. However, the issue is a controversial one.
Hungary	Yes, provided that profit is used exclusively for the foundation's primary public-utility objective.
Ireland	Yes, as long as they support charitable purposes.
Italy	Yes, if they do not constitute the main part of the organisation's activities and are not in conflict with foundations' objectives. ONLUS (Organizzazione Non Lucrativa di Utilita' Sociale): only specific institutional activities and directly related economic activities are permitted. Foundations of banking origin: related economic activities only.
Latvia	Yes, if profit is used for the foundation's primary public-utility objective.
Lithuania	Yes, provided all profit from these activities is spent on the aims of the foundation.
Luxembourg	Yes, but they are subject to tax and are only permitted if they do not constitute the main part of the organisation's activities. Some activities may expose a foundation to income tax (trading, manufacturing, banking and insurance activities).
Malta	No. It is prohibited for foundations to trade, i.e. engage in economic activities. They may, however, hold commercial property in a passive manner, receive rents, dividends and royalties and make profits from limited trading activities in the context of fundraising.
Netherlands	Yes, provided they fall within the objectives of the foundation. They are generally taxed if deemed to be business activities rather than investments, since, a foundation is subject to Dutch corporate income tax (CIT) if it carries out business activities in competition with commercial enterprises, where as investments are tax exempt.

Poland	Yes, both related and unrelated commercial activities are allowed.
Portugal	Yes, provided they are related to the basic objectives of the foundation.
Romania	Yes, provided that the activities have an accessory character and are closely connected to the main purpose of the organisation.
Slovakia	No, except for leasing out real estate and organising cultural, educational, social or sports events. Activities have to be in accordance with the public benefit purpose pursued by the foundation.
Slovenia	Yes, provided that profit is less than 30% of total income.
Spain	Yes, provided they are related to the basic objectives of the foundation.
Sweden	Yes, although there are special registration requirements for foundations that conduct business activities. Foundations may also be the main shareholder of a company.
United Kingdom	Yes, according to the charitable purposes of the organisation. For large scale economic activity charities must use a non-charitable trading subsidiary company to conduct such activities. The subsidiary can then eliminate its taxable profits if it donates them to the parent foundation.

6. Reporting and accountability requirements

Country	What are the reporting and accountability requirements for a foundation?
Austria	Public benefit foundations: annual accounts filed with the foundation authority. Private benefit foundations: annual accounts reviewed by an accountant. Private foundations are audited by accountants appointed by a competent court or supervisory board. Annual reports and accounts do not need to be publicly available.
Belgium	Small private and public utility foundations and large public utility foundations have to file their accounts and annual budgets with the clerk's office of the commercial court. Statutory auditors must review the annual accounts of large foundations. Large private foundations have to file their accounts, information on board members and the report of the statutory auditors with the National Bank of Belgium. The annual reports, accounts and register of the foundations should be made publicly available.
Bulgaria	Public benefit organisations have to submit an annual report on their activities to the Central Registry. Annual reports and accounts are open to public inspection and are published on the website of the Central Registry. The Central Registry is public and any person may request information or a transcript of its contents.
Cyprus	Charitable Trust: annual account reports submitted to the Administrative Secretary. These may be certified by the Director of Audit. Societies: the meeting of members is the reporting body within a society, including taking decisions on appointment of auditors and approval of the balance sheet. Institutions: the reporting body within an Institution are the members of its management, obliged to keep accurate and complete accounts. These accounts must be audited by a certified auditor whose report is filed with the Registrar. Companies Limited by Guarantee: they must file the annual audited accounts and annual returns with the Company Registrar and also with the Income Tax Department. The Accounts must meet the International Financial Reporting Standards. No annual reports or accounts of foundations need to be made publicly available.
Czech Republic	A foundation/endowment fund must compile its annual report by the deadline set by its board of directors or statute. The annual report must be filed within 30 days of its approval with the register court. The register is a public list; the statutes of the foundation/endowment fund and the annual report constitute parts of the register. The foundation register is public evidence, open and accessible for anyone.

Denmark	Annual accounts of commercial foundations are governed by the same rules that apply to non-listed limited companies. Non commercial foundations have to submit yearly accounts to local tax authorities, which must be signed by all board members. Every foundation must have an accountant or auditor. All information in the register is available to the public.
Estonia	Annual reports must be delivered to the Registry of the Non-Profit Organisations and Foundations. Anyone stated by the Statutes as a specially favoured person, or with any other legitimate interest, has the right to be acquainted with the annual reports and accounts. If the Statutes do not specify any favoured persons, everyone has that right. The board presents a report of financial activities and an auditor's statement to the council for acceptance within four months of the end of every fiscal year. Every board member must sign the report. The report accepted by the council must be delivered to the Registry of Non-Profit Organisations and Foundations within six months of the end of the fiscal year. The register is publicly available.
Finland	Foundations have to maintain accounts and submit annual reports to the registration authority. They have to file annual income tax returns with the taxation authorities and are required to submit to the registration authority their annual books of accounts. Accounts and reports need to be made publicly available.
France	All public utility foundations file an annual report and financial statements with both the competent <i>Prefet</i> and the Ministry of the Interior. Other ministries may also ask for an annual report. Corporate foundations and endowment funds must file their annual report and financial statements with the administrative authorities. Public utility foundations and corporate foundations must also appoint an auditor. Annual reports and accounts are publicly available.
Germany	Foundations must present annual reports to the relevant state authorities according to the laws of the <i>Bundesländer</i> or, if they wish to receive tax privileges, to the relevant financial authorities. Foundations are not legally requested to make the information publicly available.
Greece	Annual budgets and statements of accounts of revenue and expenses must be produced. Public benefit foundations have to work with an annual budget, and this must be approved by the Ministry of Finance in advance. The administrators of public benefit foundations have to submit an annual report of revenues and expenses together with a balance sheet of assets and liabilities to the Ministry of Finance for approval within two months of the closing of the financial year. This annual report, including the balance sheet, must be published in the daily press at the place of the foundation's legal seat.
Hungary	Every public benefit organisation shall prepare a report on public welfare activities upon approval of the annual report. Approval of the report shall fall within the exclusive jurisdiction of the supreme body. The report shall contain a brief description of the public welfare activities as well as statements on each of the following: the accounts; the use of budgetary subsidies; the use of property assets designated provisions; the amounts of subsidies received from budgetary organs, off-budget state funds, local governments or associations of local governments, or from their agencies; the amount of any remuneration paid to senior officers of the public benefit organisation. Public benefit organisations shall publish their report on public welfare activities on their official website or in other forums accessible by the general public by 30 June of the year after that to which it pertains.
Ireland	Audited accounts must be provided to the Revenue Commissioners if a charity's income is over €100,000. Accounts and annual reports do not need to be made publicly available.
Italy	Foundations have to write an annual report and commercial activities must be separately accounted as required by the law for commercial enterprises. Bookkeeping of ONLUS (<i>Organizzazione Non Lucrativa di Utilita' Sociale</i>) music foundations and foundations of banking origin is substantially the same as for commercial bodies. In principle, annual reports and accounts do not need to be made publicly available; however ONLUS and foundations of banking origin are obliged to draft an annual report and to send it to their supervisory authorities. Most of those foundations also publish them on their websites on a voluntary basis.
Latvia	Foundations have to submit an annual report to the tax administration office and to the State Register. Foundations with the status of public benefit organisation have to submit an annual report to the Ministry of Finance together with a report on

	activities during the financial year and activity plans for the coming year. Annual reports and accounts are made public on a voluntary basis.
Lithuania	A foundation activity report for the preceding financial year must be presented to the founders' meeting. This report is public. The foundation must carry out audits at the periodicity stipulated in the statutes. They are conducted by the inspector or the auditor, who is elected by the founders' meeting for a fixed period of time. Annual reports and accounts need to be made publicly available.
Luxembourg	The directors of foundations have to submit accounts and the budget to the Ministry of Justice every year. (Art. 34 FA). The annual accounts must also be published in the <i>Mémorial</i> . Annual reports and accounts need to be made publicly available.
Malta	Administrators must keep books of account
Netherlands	Every year the board has to prepare a balance sheet and a statement of revenues and expenditures of the foundation. These records have to be kept for 7 years. In principle every commercial foundation has to publish its annual accounts within 8 days after they are approved. Exemption is based on the size of the business of the foundation: where a commercial foundation has a net turnover of less than 8.8 million euros and its assets do not exceed the value of 4.4 million euros over two consecutive years, it may be exempted from the obligatory publication of accounts.
Poland	A detailed annual activity and financial report is filed with the appropriate minister. The format of the report is strictly prescribed by government regulations. The report should be made available to the public and financial information submitted to fiscal offices and to the register of enterprises, if the organisation conducts an economic activity. Public benefit foundations must submit a separate report to the Ministry of Social Policy in accordance with the ministry's requirements. The ministry is expected to publish it on its website.
Portugal	The annual report and accounts of the previous year must be sent to the Secretary-General of the Presidency of the Council of Ministers, within a period of six months after these have been approved. This information can be made publicly available. A database of entities of public utility is maintained by the Secretary-General of the Presidency of the Council of Ministers and made available, for the purposes of public consultation, on its website.
Romania	Compulsory financial and accountability requirements are in place (annual balance sheets).
Slovakia	The foundation is obliged to prepare an annual report within the time limit specified by the board of trustees or in the statutes. The annual accounts must be audited by a chartered auditor. The foundation shall send a copy of its annual report to the Ministry as well as the auditor's report for publication in the official Commercial Journal.
Slovenia	Foundations keep accounts and produce annual reports in compliance with regulations. The board of trustees submits a report on its work and financial management in the preceding calendar year to the body competent for foundations. This body may request an audit of financial management by a certified auditor.
Spain	An annual report must be submitted to the Protectorate. Once the Protectorate has examined and verified their formal correctness, it will deposit them in the Register of Foundations, where it is available to the public. Foundations must also present annual action plans to the appropriate administrative authority, which outline the activities that are foreseen to pursue the foundation's purpose. The Protectorate will review and approve the annual action plan, and deposit it in the Register of Foundations. Annual reports thus need to be publicly available.
Sweden	Foundations which have assets of or exceeding SEK 1,500,000 must prepare and file an annual report that is made available to the public.
United Kingdom	Registered charities must present an updated list of charity trustees, annual accounts and an annual report to the Commission. Above an annual income of 1 million GBP, a Summary Information Return ("SIR") must also be completed. These documents must also be made available to any member of the public at cost. A non-company charity's accounts will have to be professionally audited if it has a gross annual income over 500,000 GBP or assets over 2.8 million GBP. Below this threshold, an independent examiner can be used instead of an auditor.

7. Definition of public-benefit- purpose that leads to tax exemption

Country	Is there a statutory definition in tax law of what a public benefit purpose is?
Austria	According to Art. 35 Federal Tax Act ("Bundesabgabenordnung"), the purpose is of public benefit if the spiritual, cultural, moral or sporting development of the general public is supported.
Belgium	The tax law does not use public benefit as a criterion nor does it give a definition of public benefit purpose. Corporate tax law uses more general criteria such as non-profit purpose and non profit making operations. The inheritance tax refers to the legal form (associations, foundations) and uses it generally as the sole criterion.
Bulgaria	The Law on Non-Profit Legal Entities (LNPLE) defines the public benefit purposes: health; science; education; the development and establishment of spiritual values, civil society, engineering, technology, and physical culture; the support of the socially vulnerable, needy, and handicapped; the support of social integration and personal advancement; and the protection of human rights and the environment. There is no statutory definition in tax law.
Cyprus	There is no definition in Tax Law what public benefit is.
Czech Republic	Exemption is possible to be applied to donations given to charities located in the Czech Republic which finance one of the following qualifying purposes: Science and learning; research and development; culture and education; police; fire departments; support and protection of youth; protection of animals; social and health care; ecology; humanitarian and charity purposes; religious purposes for registered churches and religious communities and sports.
Denmark	There is no statutory definition of the term "public benefit purpose" in Danish tax law. However, it is a general requirement for donations to be considered as given to a public benefit purpose, that the beneficiaries are described in the statutes of the foundation by objective criteria, and that the beneficiaries are not limited to a specific group of persons, institutions or companies.
Estonia	There is no definition in Tax Law of what public benefit is.
Finland	Under the Income Tax Act, an organisation is eligible for tax-exempt status if it operates solely and directly for the public benefit/general good in a material, mental/intellectual, ethical or social sense. The definition is considered to encompass nearly all sectors of social life.
France	In France, under tax law, the public benefit purpose condition is regarded as fulfilled when (i) the activity of the foundation is a non-for-profit one, (ii) the management of the foundation is non-profit minded, (iii) no advantage is get for the founders and (iv) the foundation's activities do not benefit to a limited group of persons.
Germany	A legal entity is following public benefit purposes if their activities are aimed to give unselfish support to the public at large referring to material, spiritual or moral issues. A catalogue of public benefit purposes is codified in Art. 52 (2) of the German tax code (Abgabenordnung).
Greece	The tax law does not include any definition of the public benefit purpose. Art. 25 of Law 2961/2001 stipulates the tax exemption of gifts to non-profit legal persons under the condition that these legal persons pursue purposes which are beneficial for the Greek nation, as well as other religious, philanthropic at large, educational, artistic or charitable purposes in the meaning of art. 1 of Law 2039/1939. According to the Art. 1 para. 1 of the Law 1111/1972 charitable purpose is every purpose which concerns the granting of moral or material aid to people who have proven need of help whether long-term or temporary.
Hungary	There isn't detailed definition in the tax law related to the public benefit purpose, but tax law makes reference to the civil law: "public benefit activities/purposes" means the following designated activities as set forth in the organisation's charter for the benefit of society and for the common interests of individuals: health preservation, disease prevention, therapeutic and medical rehabilitation activities; social activities, family counseling, care for the elderly; scientific activities, research; school instruction and education, personal ability development, dissemination of knowledge; cultural activities; preservation of cultural

	<p>heritage; preservation of historical monuments; nature preservation, animal protection; environmental protection; children and juvenile protection, children and juvenile advocate services; promotion of equal opportunity within society for underprivileged groups; protection of human and civil rights; activities in connection with ethnic minorities living in Hungary and with Hungarian nationals living outside of Hungary; sports, not including sports activities involving professionals and those performed under contract within the framework of a civil law relationship; protection of public order and traffic safety, voluntary fire fighting, rescue, and disaster preparedness and response activities; consumer protection; rehabilitative employment; promotion of employment and training for underprivileged groups in the labor market, including placement by the hiring-out of workers, and associated services; promotion of the country's Euro-Atlantic integration; services provided to and available solely for non-profit organisations; activities associated with flood and water damage control; activities associated with the construction, maintenance and operation of roads, bridges and tunnels; crime prevention and legal protection of victims.</p>
Ireland	<p>No. The Taxes Consolidation Act 1997 does not define public benefit purpose. Rather s.207 states that "charity" means any body of persons or trust established for charitable purposes only." To this end, the Revenue Commissioners apply the common law in deciding whether an organisation is eligible for charitable tax exempt status. To so benefit, an organisation must provide sufficient "public benefit" and its purposes must come within one of four broad categories considered to be 'charitable' for the purpose of taxation: Relief of poverty; education; religious activities; or other purposes beneficial to the community.</p>
Italy	<p>Art. 149 of Decree no. 917/86 describes non profit entities as entities which do not carry out any commercial activity; among them, Art. 10 of Decree no. 460/97 establishes ONLUS as specific non profit entities with public benefit purposes. Para. 1 disposes as follows: "non profit organisations of social utility (ONLUS) are associations, foundations, cooperatives and other private entities whose statutes explicitly provide to carry out one or more of specific activities as social and health assistance, charity, beneficence, education, amateur sport, protection and promotion of artistic and historical goods, protection and promotion of environment, promotion of culture and art, protection of civil rights, scientific research, and assure the pursue of purposes of social utility only". Paragraph 2 underlines that an activity has a purpose of social utility (that is, a public benefit purpose) when this activity gives a specific benefit to disadvantaged people in relation to physical or psychical or social or economical conditions, as well as to foreign people in case of humanitarian aids. At the same time, the public benefit purpose is considered fulfilled by paragraph 3 also when the activity of the organisation helps its associates and participants if those people can be considered as disadvantaged people under paragraph 2". Some activities – as the protection of environment or historical heritages – are considered <i>per se</i> as public benefit purposes.</p>
Latvia	<p>Tax law does not define public benefit purpose, but refers to the Law on Public Benefit Organisations: Public benefit activity is activity that gives significant contribution to society or its part, particularly if it is aimed to charity, protection of human and civil rights, development of civil society, promoting education, research, culture and health, and disease prevention, supporting sports, environmental protection, rendering of help in disasters and emergency situations, improvement of social welfare of society, especially of groups of poor and socially disadvantaged (underprivileged) people.</p>
Lithuania	<p>The Law on Charity and Sponsorship Foundations says that foundations may engage only in activities intended for the welfare of society. The foundation is a legal personality whose main aims are: rendering of charity or/and support according to the procedure stipulated by the law to legal and natural persons in the fields of scientific, cultural, educational, art, religious, sports, health care, social work, environmental and other activities, that are selfless and beneficial for society.</p>
Luxembourg	<p>According to the FA, state-approved foundations are by definition bodies of public interest pursuing public benefit purposes. As such, they are exempt from income tax (Art. 161.1 of the Income Tax Act), if they directly and exclusively pursue public benefit purposes (including charitable and religious purposes). However, they remain taxable to the extent that they carry out industrial or commercial activities.</p>
Malta	<p>Public benefit or 'social purpose' is defined in the voluntary organisations law and is generally charitable, philanthropic, public benefit, education, sports, environmental, etc</p>
Netherlands	<p>According to Article 5.1c CIT, organisations that are established to carry out almost exclusively (at least 90%) the following activities of general public interest are exempt from corporate income tax: caring for the sick, providing accommodation for the elderly</p>

	or invalid, assisting the disabled, and providing small credits to the poor. The exemption depends on the actual activities and financing of the organisation. Foreign entities can also qualify for tax exemption if their worldwide activities meet these requirements.
Poland	Article 20 of the Act on Public Benefit Activity and Voluntarism from 2003 defines a public benefit organisation as an organisation whose “statutory activity includes work for the benefit of the entire society or of a specific group of entities provided that such a group can be distinguished from society due to its difficult living conditions or financial situation.” Article 4 of the Act on Public Benefit Activity and Voluntarism gives a catalogue of public benefit activity areas which include: regular care to former professional military servicemen who had obtained rights to military retirement or pension, war invalids and veterans; charity work; preserving national traditions and Polish values; developing national, civic, and cultural awareness; working to support national minorities; health care and promotion; work to support the disabled; promoting employment, and professional activation of the unemployed and of individuals threatened with job loss; promoting and protecting women’s rights, and work to support equality of rights regardless of gender; work to support economic development, entrepreneurship development included; work to support the development of local communities; science, education, coaching, and upbringing; knowledge touring and recreation (children and young people); culture, art, protection of heritage in culture and tradition; promoting physical culture and sports; ecology, animal protection, protection of natural heritage; public order and safety, social pathologies prevention; promoting and protection of human and civic rights and freedoms; work to support the development of democracy; rescue systems and protection of residents; aid to victims of calamities, natural disasters, armed conflicts and warfare – in Poland and abroad; promoting and protecting consumer rights; work to support European integration, and the development of contacts and co-operation between societies; promoting and organising volunteer work; work to provide technical, training, information, and/or financial aid to non-governmental organisations and entities specified in Article 3 clause. 3, to a scope defined in items 1 through 23.
Portugal	There is no definition in Tax Law what public benefit is.
Romania	<i>Information pending</i>
Slovakia	No. There is an enumerative definition of public benefit purposes in the law on foundations.
Slovenia	There is no definition in Tax Law of what public benefit is.
Spain	According to Art. 3 of the Law on Patronage 49/2002, registered foundations working for the general interest, i.e. in the areas of education, culture, science, sports, health care, environment, social economy etc. can receive tax exemption on their income tax, if they use at least 70% of their net income to pursue their general interest purposes.
Sweden	If a foundation has a public benefit purpose and uses its income mainly to pursue this purpose, it can receive some tax benefits (Chapter 7 Art. 3-6 IL). Income Tax Law, Ch. 7, Art. 4-6, 8 defines public benefit purposes as: the well-being and upbringing of children; education; help to the needy; research; Nordic cooperation; and strengthening the defence of Sweden in cooperation with public bodies.
United Kingdom	The England and Wales Charities Act 2006 sets out the following descriptions of charitable purposes: the prevention or relief of poverty; the advancement of education; the advancement of religion; the advancement of health or the saving of lives; the advancement of citizenship or community development; the advancement of the arts, culture, heritage or science; the advancement of amateur sport; the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity; the advancement of environmental protection or improvement; the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage; the advancement of animal welfare; the promotion of the efficiency of the armed forces of the Crown or of the police, fire and rescue services or ambulance services; other purposes currently recognised as charitable and any new charitable purposes which are similar to another charitable purpose.

8. Support of the “the public at large”

Country	Do the activities of a tax-exempt foundation generally have to benefit “the public at large”?
Austria	Yes according to Art. 36 Federal Tax Act to receive tax exemption the activities of a foundation (public benefit foundation or private foundation under PSG (Private Foundations Act, “ <i>Privatstiftungsgesetz</i> ”) have to benefit the public at large.
Belgium	No. For the corporate tax exemption the number of beneficiaries concerned (public at large) is not a criterion as such. For the eligibility of the foundation to receive income tax deductible gifts, there is a geographical criterion. According to art 104 of the income tax code the activity scope of organisations in some of the sectors enumerated by the law should be national or at least cover one of the three regions or to one of the three communities of Belgium.
Bulgaria	No
Cyprus	No. The activities of a tax – exempt foundation generally do not have to benefit “the public at large”.
Czech Republic	Yes. Foundations and Endowment Funds are public benefit by definition directly from the Act on Foundations. Thus, they have to serve the public at large.
Denmark	Yes, beneficiaries must be objectively defined as a broad group of the population, which is not geographically or otherwise limited to less than 40.000 persons.
Estonia	Yes
Finland	Yes
France	Yes, since the “public-benefit” notion does not cover activities benefiting a limited group of persons.
Germany	Yes
Greece	No, but the section of the public benefited must be determined on the basis of an objective criterion.
Hungary	No, because the legal status of the tax exempt public benefit foundation depends on the purpose of the foundation not on the number of the persons supported.
Ireland	Yes. To be charitable the activity must occasion sufficient public benefit. The Revenue Commissioners will consider the quantum of benefit to the public at large, the existence of any private benefit and the size of the class to benefit in determining this matter. The new Charities Bill 2007 will further elaborate on matters to be considered in deciding the public benefit question.
Italy	Yes, although a foundation in Italy is never, in principle, tax-exempt but can receive tax relief. Family foundations are only allowed to provide help to descendants of a given family if they are in a particular and objective situation indicated in the statute, such as financial problems or academic talent. A foundation aiming only to benefit all members of a given family cannot be set up in Italy. The public benefit purpose is also considered fulfilled by para. 3 (Art. 149 of Decree no. 917/86) when the activity of the organisation helps its associates and participants if those people can be considered as disadvantaged people under para. 2.
Latvia	Yes
Lithuania	Yes
Luxembourg	The question is difficult to answer under Luxembourg law. The foundation must serve the public interest and pursue public-benefit purposes.
Malta	<i>Information pending</i>
Netherlands	No
Poland	Yes, activities must benefit the public at large or an underprivileged group.

Portugal	Yes
Romania	<i>Information pending</i>
Slovakia	No
Slovenia	No
Spain	Yes. The foundation purpose must benefit generic groups of individuals. Groups of workers of one or several companies and their relatives are examples of such groups. (Art.3.2. LF)
Sweden	Yes, if the benefit is limited to a small group of people, e.g. family foundations, no tax exemption will be granted.
United Kingdom	Yes, it is necessary to show that the foundation exists to further public benefit purposes. This requires that the purposes are capable of providing benefit that is charitable in law and that the benefit is available to a sufficiently large section of the public to have a public character.

9. Non- distribution constraint

Country	Does a tax-exempt foundation generally have to follow a non- distribution constraint, which forbids any financial support of the foundation board?
Austria	No. A tax-exempt foundation does not have to follow a “non-distribution constraint”, which forbids any financial support of the foundation board, staff etc.
Belgium	Yes, articles 181 and 182 of the ITC (on corporate tax exemption) refer to non-profit associations and other legal entities that do not pursue a profit purpose. These terms are not defined in the tax law and should be interpreted in the light of the civil law (Law of 27 June 1921 on non profit associations and foundations). According to this law the entity should not provide to its directors, to the staff or to its founders any material gain. Any distribution of surpluses or distribution of assets is forbidden.
Bulgaria	No
Cyprus	Yes. The members of the board of a foundation usually do not receive any benefit from their participation in the board but they can receive an amount for covering their expenses although there are not any restrictions. The foundation on the other hand may employ employees for serving the foundation.
Czech Republic	Yes. A member of the Board of directors or controlling body of a Foundation or Endowment Fund cannot receive Foundation contribution.
Denmark	Yes. A public interest foundation may remunerate its board members, but otherwise financial assistance is not allowed.
Estonia	Yes
Finland	Yes
France	No from a legal standpoint. However, such prohibitions or limitations are frequently included in the by-laws of French foundations.
Germany	Yes, but to pay a salary to staff and board is allowed.
Greece	Yes. Capital contributed by Founders or donors should support public-benefit purposes and not the personal benefit of these persons.
Hungary	Yes
Ireland	Yes
Italy	Yes. Art. 10, paragraph 2 d), provides for ONLUS (<i>Organizzazione Non Lucrativa di Utilita' Sociale</i>) “the prohibition of all distributions, both directly or indirectly, of profits, funds, reserves or capital during the life of the organisation, except for distributions requested by law or to other ONLUS of the same kind”. Sales to associates or donors at a discounted price, as well as purchases by associates or donors at a price above the market standards, wages to employees increased over 20% in relation to the market standards, remunerations of board members above the thresholds provided by law are considered as distributions of profit. Art. 5 of Decree no. 153/99 provides that “the endowments of the foundations [of banking origin] are fully bound to the pursuit of their statutory aims”; members of the board can be paid according with rules provided by law.
Latvia	Yes
Lithuania	Yes
Luxembourg	Yes, but board members can have their cost reimbursed. A foundation cannot be established for the benefit of its board members or its staff (just as it cannot be set up for the benefit of the founder and/or his family).
Malta	<i>Information pending</i>
Netherlands	Yes, according to the Dutch Civil Code, foundations in the Netherlands are prohibited from distributing their profits to their founders or to members of their organs.

Poland	Yes. Since the tax exemption concerns only income spent on purposes defined in corporate tax law, the fiscal office would certainly question such a distribution. Any use of foundation property to support foundation board or staff is explicitly forbidden in case of foundations with a public benefit status by the Public Benefit Activity and Voluntarism Act.
Portugal	Yes. Art. 10.3c) of the Corporate Income Tax Code rules: "The exemption (...) is dependent on the observance of the following requirements: a lack of any direct or indirect interest of the members of the statutory bodies, by themselves or by intermediary, in the results of the exploitation of the economic activities pursued" by the concerned institutions. Regarding private social welfare institutions, which are tax exempt, Art.18.1 of Decree–Law 119/83, 25 February, states: "The exercise of any position within the managing bodies of the institutions is gratuitous, although the payment of expenses resulting from such position may be justified".
Romania	<i>Information pending</i>
Slovakia	Foundation law allows reimbursement of board members' costs and expenses incurred during the performance of their tasks. There is no connection between tax-exempt status and a "non-distribution constraint".
Slovenia	No
Spain	Yes
Sweden	Yes
United Kingdom	Yes. The non-distribution constraint generally precludes the distribution by way of profit to any member or trustee of a charity. This would not preclude the payment of reasonable remuneration to staff or board members where permitted by the foundation's governing instrument or otherwise authorised by a court, regulatory body or statute.

10. Foundation assets and dissolution

Country	What happens to a foundation's assets in the case of dissolution?
Austria	According to Art. 39 Federal Tax Act, in case of dissolution the assets of tax-exempt foundations (whether public benefit foundations or private foundations) – except the assets deposited by founders – must be applied to public benefit, benevolent or religious purposes.
Belgium	Transfer to another institution with similar aims. The statutes should indicate which organisation should be entitled to receive the net assets.
Bulgaria	Transfer to another institution with a similar purpose.
Cyprus	Transfer to another institution with a similar purpose.
Czech Republic	Transfer to another institution with a similar purpose.
Denmark	Transfer to another public benefit foundation. Alternatively remaining assets can be used to advance a public benefit purpose.
Estonia	After the foundation's liabilities have been paid off, the assets will be divided as indicated in the statutes. If the statutes include no provision on this, the assets will be taken over by the state. If the foundation is dissolved by court order, its assets will be taken over by the state.
Finland	The statutes of a foundation must include a statement on how the remaining assets are to be used.
France	The foundation's assets must be devolved by the board to another foundation. A similar rule applies to endowment funds.
Germany	There is a special regulation in the statute of the foundation which specifies to whom the assets belong in case of dissolution.
Greece	The founder has to specify in the statutes what is to be done with the residual assets. If it is not specified, then in case of the foundations' dissolution these assets must be transferred to the public treasury.
Hungary	Unless otherwise stipulated in the charter the assets of a terminated foundation shall be allocated by the Court of Registration for the support of another foundation with a similar purpose.
Ireland	Transfer to another institution with a similar purpose.
Italy	Art. 31 of Italian Civil Code stipulates that the assets' devolution must be made under the rules of the Statute or, in the absence of them, by the governmental authority to foundations with similar aims. In the case of ONLUS, Art. 10 of Decree no. 153/99 stipulates assigning assets to other ONLUS.
Latvia	The statute has to define what happens in this case. However, assets cannot be distributed among founders, members of the board and other institutions, or their relatives.
Lithuania	Transfer to another public benefit institution.
Luxembourg	Such assets are to be used in accordance with what the statutes stipulate for this. If this cannot be achieved, the assets are to be used for a purpose similar to the one for which the foundation has been incorporated.
Malta	<i>Information pending</i>
Netherlands	This depends on its statutory provisions. If nothing is provided in its statutes, the assets will go to the state, which will use it for the purpose of the foundation.
Poland	They are distributed in accordance with the dissolution clause in the foundation's statute. If the statute does not have a dissolution clause, the court decides on the distribution of the assets taking into account the purposes of the foundation. The assets have to be allocated to an organisation or institution having similar statutory purposes.
Portugal	If there is no provision made in the statutes, the assets are transferred to another foundation with similar aims.

Romania	<i>Information pending</i>
Slovakia	The liquidation surplus is given to another foundation or to the municipality in which the dissolved foundation had its principal headquarters. The liquidation surplus, if accepted by the municipality, may only be used for public benefit and benevolent purposes.
Slovenia	Transfer to another institution with a similar purpose.
Spain	According to Art. 33.2 and 3 of the Foundation Act, in case of dissolution all assets of the foundation being dissolved should be committed to another foundation or general interest purpose entity.
Sweden	Foundations should normally not be dissolved if they have any assets.
United Kingdom	Transfer to another charity with the same or similar purposes.

11. Remuneration of board members

Country	Is remuneration of board members allowed in civil law and in tax law? If remuneration is allowed, are there any limits in civil law or/and in tax law?
Austria	Public foundations and tax law: a reasonable remuneration of the board members is possible if foreseen by the statutes. The foundation authority has to approve the remuneration according to Art. 15.3 BSFG. A statutory maximum does not exist. Private foundations: no explicit restriction but unreasonably high remuneration will exclude the foundation from tax exemption.
Belgium	No explicit restriction.
Bulgaria	No explicit restriction.
Cyprus	No explicit restrictions, as long as the amounts paid are bona fide.
Czech Republic	General administration regulation applies and is incorporated in the Act on Foundations. Remuneration of board members is included within the administration costs.
Denmark	The remuneration must be reasonable with regard to the nature of the job and the workload involved.
Estonia	The remuneration must be reasonable and should correspond to the tasks of the board member and to the financial state of the foundation.
Finland	The remuneration must be reasonable in terms of size and assets of the foundation.
France	No, board members can benefit from a refund of their business expenses only if provided by the foundation's internal regulations.
Germany	The remuneration must be reasonable.
Greece	Board members are obliged to perform their services gratuitously (Art. 714, Greek Civil Code). Remuneration of board members is not allowed in tax law.
Hungary	No explicit restriction. The sum of the remuneration depends on the decision of the board of trustees.
Ireland	Remuneration of Board members is not allowed for organisations seeking charitable tax exemption. They are allowed to be reimbursed for out-of-pocket expenses.
Italy	In civil law it is allowed. According to tax law, remuneration of board members is allowed up to a threshold provided by law. For foundations of banking origin, payment of board members is permitted as provided by law.
Latvia	The remuneration must be reasonable.
Lithuania	No explicit restriction.
Luxembourg	Board members can have their costs reimbursed. But a foundation cannot be established for the benefit of its board members or its staff.
Malta	<i>Information pending</i>
Netherlands	Remuneration is only allowed when this is in accordance with the statutory provisions of the foundation. In the tax law, remuneration of board members is allowed. If a foundation wants to be qualified as a charitable institution, remuneration of board members is only allowed for reimbursement of expenses, carrying out work, or attending meetings.
Poland	Remuneration of board members is allowed, but if the foundation has public benefit status there is a limit on the reimbursement of its supervisory organ as follows (Article 20 item 6 c of the Act on Public Benefit Activity and Voluntarism): "The members of a foundation's audit and supervision body may, for the performance of duties in such a body, be reimbursed for any reasonably incurred costs, or be remunerated at a rate not exceeding that specified in Article 8 paragraph 8 of the Act of Law of March 3 rd 2000 on the remuneration of individuals managing certain corporate entities."

Portugal	Only the Decree-Law 119/83, 25 February, on private social welfare institutions, deals with the question: "When the volume of financial transactions or the complexity of the administration of the institutions requires the extended presence of one or more members of the managing bodies, these may be remunerated, provided that the statutes so permit."
Romania	<i>Information pending</i>
Slovakia	Only the civil law (law on foundations) states that board members can be reimbursed for the costs and expenses incurred by them in the course of performance of their tasks.
Slovenia	No
Spain	The board members/trustees cannot be paid for being part of the Governing Board. They can be remunerated for any other professional services provided to the foundations, provided that the founder has not expressly forbidden it, the services involve a significant contribution to the foundation, and it has been authorised by the protectorate.
Sweden	Remuneration is allowed in both civil law and tax law. No general limits in either case.
United Kingdom	The payment of reasonable remuneration to board members is allowed where permitted by the foundation's governing instrument or otherwise authorised by a court or regulatory body. There are no monetary limits in civil law or tax law. The assessment of what is reasonable will take into account the nature of the duties of the board member and appropriate remuneration levels for comparable positions outside the charity sector.

12. Administration costs

Country	Is there a maximum amount that can be spent on office/administration costs in civil law or in tax law?
Austria	No explicit restriction. Unreasonably high administration costs will certainly exclude foundations from tax exemption.
Belgium	Tax law: maximum 20 % of resources on administrative costs.
Bulgaria	No explicit restriction.
Cyprus	No explicit restrictions, as long as the amounts paid are bona fide.
Czech Republic	The foundations' statutes must contain an explicit maximum limit for administration costs.
Denmark	According to a ministerial decree, the administration costs (including the remuneration for the board members) for non-commercial foundations must be approved by the foundation authorities, if they exceed 12 % of the yearly gross income of the foundation.
Estonia	No explicit restriction.
Finland	No explicit restriction.
France	No explicit restriction.
Germany	No explicit restriction, but for longstanding foundations there is an unwritten rule that a maximum of 10% should be spent on administrative costs.
Greece	No explicit restriction.
Hungary	No explicit restriction.
Ireland	No explicit restriction. The Revenue Commissioners do review the expenditure of organisations to ensure that their activities are charitable.
Italy	No explicit restriction.
Latvia	Public benefit organisations must not spend on administration more than 25 % of general donations.
Lithuania	No. Such limitations have been abolished.
Luxembourg	No explicit restriction, but the public interest criteria will always apply.
Malta	<i>Information pending</i>
Netherlands	If a foundation wants to be qualified as a charitable institution, the administration costs have to be 'reasonable'.
Poland	No explicit restriction.
Portugal	No explicit restriction.
Romania	<i>Information pending</i>
Slovakia	No explicit restriction.
Slovenia	No explicit restriction.
Spain	The Foundations Regulation (<i>Real Decreto</i> 1337/2005) article 33, establishes that "administration cost" should not exceed the higher of the two following figures: either the 5 % of the Foundation equity or the 20 % of the net income of the foundation.
Sweden	No explicit restriction.
United Kingdom	No explicit restriction.

13. Distribution and timely disbursement of income

Country	Does the civil law and/or the tax law of your country require a foundation to spend its income (or a certain amount of the income) within a certain period of time, e.g. within the next financial year?
Austria	No
Belgium	No
Bulgaria	No
Cyprus	No
Czech Republic	Not explicitly but, foundations and endowed funds have an obligation to distribute grants. Upon a motion by the founder, the executor of the testament, or a person who asserts a lawful interest, the Court will wind up a foundation/endowment fund if it did not fulfil, during a period of at least two years, the purpose for which it was set up (especially, if it did not distribute grants for a period of two years), and the foundation/endowment fund did not make efforts to rectify the matter by the deadline set by the Court.
Denmark	No, but in principle, the board of a foundation must spend the entire income of the foundation for activities related to its purpose. The board may however, decide to consolidate income if this is necessary to ensure that the purpose is fulfilled.
Estonia	No
Finland	Yes. Tax law requires that approximately 70% of annual income is spent within the year.
France	No
Germany	Yes, it is required by tax law.
Greece	No
Hungary	No
Ireland	No. There is not currently a set amount or percentage of income that must be spent each year. However, an organisation is required to use its income for the charitable purposes as outlined in their governing document. Failure to pursue the charitable purpose set out in the governing document would result in a foundation losing charitable tax exemption. If a foundation wishes to accumulate capital for more than 2 years, the foundation must first obtain permission from the Revenue Commissioners.
Italy	Yes. For foundations of banking origin, Decree no. 153/99 provides that at least half of the profits of the year, all legal funds deducted, must be granted within a certain period. ONLUS (<i>Organizzazione Non Lucrativa di Utilita' Sociale</i>) are obliged to use their profit to pursue their institutional purposes. Other foundations must also give some grants within a reasonable period of time in order not to become ineffectual and be dissolved or transformed by the governmental authority.
Latvia	No
Lithuania	Yes. Donations should be used/spent during the period of three years, otherwise they will be treated as taxable incomes.
Luxembourg	No
Malta	<i>Information pending</i>
Netherlands	No
Poland	No

Portugal	Yes. The foundation must allocate to public benefit purposes, "(...) at least 50% of the overall net income...subject to taxation..., by the end of the 4th year of activity after that in which it was obtained, except in the case of just impediment to compliance with the period of allocation...".
Romania	<i>Information pending</i>
Slovakia	Yes, for income from tax designation, there is a time period within which foundations shall use the money, in order to qualify for tax exemption.
Slovenia	No
Spain	Yes, both laws state that foundations must dedicate at least 70% of their net income to pursue their general interest purpose within the period of 4 years of obtaining that income.
Sweden	Yes, if the foundation wishes to retain its favourable tax status, it has to use approximately 80% of its income during a period of some years for the pursuit of its public benefit purpose.
United Kingdom	Yes. Both civil law and tax law require that the foundation spend its income within a reasonable period of time. What is a reasonable period will vary from case to case but, in the absence of special circumstances (e.g. the accumulation of funds for a capital project), a foundation will generally be expected to apply its income within three years of receipt.

14. Distribution of assets

Country	Does the civil law and/or the tax law of your country require a foundation to spend a percentage of its overall assets ?
Austria	No
Belgium	No
Bulgaria	No
Cyprus	No
Czech Republic	No, but a rule is incorporated in the Act on Foundations that a foundation has to distribute at least one grant in a period of two years. There is no minimum limit for the grant.
Denmark	No
Estonia	No
Finland	No
France	No
Germany	No
Greece	No
Hungary	No
Ireland	No
Italy	No
Latvia	No
Lithuania	No
Luxembourg	No
Malta	No
Netherlands	No
Poland	No
Portugal	No
Romania	No
Slovakia	No
Slovenia	No
Spain	No
Sweden	No
United Kingdom	No

15. Requirements to receive tax exemptions

Country	What are the requirements to receive tax exemptions/procedures to register for tax incentives?
Austria	Only foundations pursuing public benefit, benevolent, or religious purposes are eligible to receive tax incentives.
Belgium	The exemption is not subject to any prior formal agreement by the tax authorities. The tax inspector, however, may challenge the organisation's income tax status later on at any time.
Bulgaria	The general criterion for obtaining tax-exempt status by legal entities with non-profit purposes is their court registration. Most laws providing special tax benefits add the requirement that non-profit legal entities be further registered in the Central Registry and to pursue public benefit purposes.
Cyprus	Provided all the conditions that the Council of Ministers wishes to impose are met, the income of a company, which was incorporated exclusively and solely for the promotion of the arts, the sciences or sports from which it does not seek to gain profits for itself or its members, and whose activities are limited only to such causes shall be exempt from income tax.
Czech Republic	Tax exemption for a foundation registered in the Czech Republic is applied automatically on the basis of the law. Tax exemption is based on the legal form of the foundation.
Denmark	A foundation can apply to the Danish national tax authorities to be approved as having a public benefit purpose for certain tax purposes (deductibility of donations made to foundations and other public benefit organisations). Applications to be approved for the coming calendar year must be made to the authorities no later than October 1 st .
Estonia	In order to be included in the list of tax-exempt organisations, a foundation must file an application and give information about its statutes and activities.
Finland	In practice, a foundation is automatically exempt from taxation once it is created for non-profit purposes. Recognition of exempt status requires ongoing maintenance of non-profit activities and is conferred by the taxation authorities after submission of each annual income tax return.
France	A favourable tax regime applies as soon as a public utility foundation is established. No special application is needed to receive tax exemption.
Germany	Foundations must present annual reports to the relevant financial authorities if they wish to receive tax privileges. Tax-exempt status is reviewed every three years.
Greece	The pursuing of public benefit purposes is the main requirement for receiving tax exemptions.
Hungary	When a foundation has registered and a public benefit or priority public benefit classification has been achieved, it shall be reported to the tax authority. If the foundation intends to pursue a taxable activity, it shall be subject to a reporting obligation. Most of its responsibilities are enumerated in Act XCII of 2003 on the Rules of Taxation.
Ireland	If a charity number is required for tax purposes, they must register with the Revenue Commissioners. Tax exemptions for donors and for the foundation only applies two years after a charity number is issued.
Italy	ONLUS (<i>Organizzazione Non Lucrativa di Utilità</i>) must be enrolled in a particular register (see Article 5, para. 3, of Decree no. 460/1997), kept by the Ministry of Finance. This registration is necessary only for obtaining fiscal reliefs provided to these bodies.
Latvia	Tax exemptions are applied only to organisations with public benefit status and those organisations which are registered in the register of social service providers.
Lithuania	The foundation must obtain a special status from the Centre of Registers.
Luxembourg	State-approved foundations are by definition bodies of public interest pursuing public benefit purposes. As such, they are exempt from income tax (Art. 161.1 of the Income Tax Act), if they directly and exclusively pursue public benefit

	purposes (including charitable and religious purposes). However, they remain taxable to the extent that they carry out industrial or commercial activities.
Malta	<i>Information pending</i>
Netherlands	All foundations must be registered in the Register of Commerce/ <i>handelsregister</i> . A foundation is subject to the Dutch Corporate Income Tax (CIT) if and to the extent that it carries out business activities. A foundation that does not run a business or engage in competitive commercial activities is exempt from CIT.
Poland	The tax law makes the income of public benefit organisations (as defined in the Act on Public Benefit Activity and Voluntarism) tax-free in the part designated for their statutory activity, excluding economic activity.
Portugal	The exemption must be recognised, at the request of the foundation, by the Ministry of Finance, which, through a dispatch published in the Official Gazette, will define its scope.
Romania	<i>Information pending</i>
Slovakia	Tax exemptions are related to the specific taxes and activities, not legal form or public benefit status.
Slovenia	Foundations established in accordance with the Foundations Act to act in the public interest and engage in not-for-profit activities are exempt under the Corporate Income Tax Act, if the foundations' operations are effectively in line with the purposes of their establishment and operation (Article 9). However, foundations are liable to income tax on revenues generated through for-profit activities.
Spain	Registered Spanish foundations, as well as offices of foreign foundations, which are registered in Spain, receive a privileged tax regime upon request if they meet the requirements listed in the Tax Act.
Sweden	Foundations that fulfil the criteria of Chapter 7 Arts. 3-6 IL do not have to pay taxes on capital gains and capital losses; however, income derived from business activities is taxable.
United Kingdom	Registration as a charity with the Charities Commission generally leads to acceptance as a charity for tax purposes by the tax authority, Her Majesty's Revenue and Customs. Charities that are not so registered can also apply to HMRC for recognition of their charitable status for tax purposes.

16. Activities abroad and implications for tax-exempt status

Country	Do activities abroad put the tax-exempt status of public benefit foundations at risk?
Austria	Yes, but only if foundations are operating mainly abroad.
Belgium	No, but certain categories of organizations mentioned by the law should carry out activities exclusively on the Belgian territory. Activities on a larger scope than Belgium could put the eligibility of these organisations to receive tax deductible gifts at risk.
Bulgaria	No
Cyprus	No
Czech Republic	No
Denmark	No
Estonia	No
Finland	No, if the purpose of these activities is deemed by the Finnish tax authorities to be in the public interest.
France	No, but tax benefits for donors are not granted, if the foundations do not conduct the main part of their activities in France. However, French foundations collecting funds and organizing humanitarian missions, and foundations collecting funds to promote French language, culture and science outside France are deemed to be perform their activities in France in that sense.
Germany	No, In principle, a foundation does not lose tax-exempt status if it pursues its purposes outside Germany. However, tax exemption requires that pursuing public benefit purposes abroad possibly has a positive impact for Germany and does not lead to disadvantages. The usage of funds has to be proved by a comprehensible statement of accounts (Article 63 (3) <i>Abgabenordnung</i>).
Greece	No
Hungary	No
Ireland	No
Italy	No
Latvia	No, but tax exemption is not applicable to activities abroad.
Lithuania	No
Luxembourg	No
Malta	No
Netherlands	No, provided that the activities meet the requirements for tax exemption.
Poland	No
Portugal	Yes, the tax-exempt status of a legal entity of public utility requires that the entity pursues aims of general interest for domestic benefit within a national or local scope (Decree-Law 460/77, 7 November Art. 1.1).
Romania	No
Slovakia	No
Slovenia	No
United Kingdom	No, if they are within objectives of the foundation.
Sweden	No

17. Tax treatment of public benefit foundations: Income from economic activities

Country	Is income from economic activities taxed?
Austria	Yes
Belgium	No, provided that these activities remain ancillary.
Bulgaria	Yes, according to the Law on Corporate Income Tax (LCIT), legal entities with non-profit purposes are taxable if they perform economic activity. They shall pay corporate income tax at the same rate as commercial organisations (10%). There is no differentiation with regard to taxation based on whether the economic activity is related or not. Under the law, NGOs are allowed to carry out only related economic activity.
Cyprus	No
Czech Republic	No. Profits of less than 300,000 CZK (approximately 11,000 euros) are exempt. The foundation is prohibited from doing business under its own name, save for real estate leases and organising lotteries, raffles, public collections, cultural, social, sport and educational events (§ 23 article 1 Act on Foundations).
Denmark	Yes. Foundations are for tax purposes generally treated as joint-stock companies according to Art. 3 of the special Taxation Act for Foundations. However, dividends received from companies in which the foundation holds at least 15% (for the fiscal years 2007 and 2008) of the shares are exempt from tax – cf. Art. 10 FBL, which refers to Art 13 of the Corporate Income Tax Law/ <i>Selskabsskatteloven</i> (SEL). If a foundation holds at least 75% of the shares of a limited liability company which for tax purposes is considered to be resident in Denmark, the income of that company is for tax purposes considered to be earned by the foundation and is not taxed.
Estonia	No
Finland	No, provided that economic activity is stipulated in a foundation's statutes and the business is directly related to the foundation's purpose. Unrelated economic activities are taxed.
France	No. Economic activities of public utility foundations that are directly linked to the purpose of the foundation are usually exempt from corporate tax. Profits derived from an unrelated commercial activity are regularly taxed at the normal corporate income tax rate.
Germany	No, if the activity is necessary to pursue the public benefit purpose and does not compete with for-profit organisations, it is not taxed (so-called "Zweckbetrieb"). Unrelated commercial activity (so-called "wirtschaftlicher Geschäftsbetrieb") is normally taxed if the income amounts to more than 35,000 euros. Related economic activity as well as major shareholding is tax-exempt, if no voting rights are used.
Greece	No
Hungary	No, if the revenue from entrepreneurial activity is below 10 million HUF (approximately 41,000 euros) maximum or 10% of the total revenue generated in the tax year. If the foundation is ranked in the public benefit or priority public benefit category, the tax threshold of the entrepreneurial activity shall be 10%, or 15% (in the public category 10% and in the priority public benefit category 15%) of the total revenue but 20 million HUF (approximately 81,000 euros) maximum.
Ireland	No, providing that the activities are in support of charitable purposes.
Italy	No. Normally income from "small-scale business activity" of ONLUS (<i>Organizzazione Non Lucrativa di Utilita' Sociale</i>) is not taxed (see decree no. 460/97). Other economic activities are taxed or not allowed within an ONLUS. For banking foundations, the permitted economic activities are taxed.

Latvia	No, but foundations have to register as VAT payers if income from economic activities (excluding grants, donations, budgetary subsidies, etc.) in the last 12 months has reached the 10,000 Latvian lats (LVL) (approximately 14,200 euros) limit. Foundations are exempt from paying VAT if their income from economic activities does not exceed this limit.
Lithuania	No, provided that the annual profit does not exceed 1 million Lithuanian litas (LTL) (approximately 300,000 euros).
Luxembourg	Yes. Income from activities deemed to be commercial or industrial (including major shareholding) is subject to the regular corporate tax rate of around 30% (the exact tax rate depending on the municipality in which the foundation's offices are located and in which the activities are carried out).
Malta	No
Netherlands	Yes, a foundation is subject to the Dutch CIT only if and to the extent that it carries out business activities. If the activities of the foundation consist solely of investing in property or capital (investment income), this does not qualify as a business. If these activities are charitable, such as for example, science and educational activities, the foundation is not subject to the CIT.
Poland	Yes
Portugal	No, unless the activities only benefit foreigners.
Romania	No
Slovakia	No. Permitted economic activities are fully tax exempt provided that the activities are in accordance with the public benefit purpose promoted and pursued by the foundation. If the activities are considered to be entrepreneurial, they are fully taxed.
Slovenia	No, provided that the activities are in line with the foundation's purpose.
Spain	No
Sweden	Yes. Income derived from business activities is taxable. In addition, a number of foundations and organisations of a special character are exempt from income tax except on business income (Chapter 7 Art. 15 IL). Arts. 16 and 17 IL list organisations and foundations that only pay income tax on income derived from real estate.
United Kingdom	No, if the activities are within objectives of the foundation.

18. Tax treatment of public benefit foundations: Income from asset administration

Country	Is income from asset administration taxed?
Austria	No
Belgium	Yes
Bulgaria	No, interest earned on bank deposits and sale of shares is exempted. However, dividends are taxed at 5% and capital gains at 10%
Cyprus	Yes, but there are certain exemptions.
Czech Republic	No
Denmark	Yes, but dividends from companies in which foundations hold at least 15% of shares are exempted.
Estonia	No, unless it is being distributed outside the purpose of the foundation. The transfer of assets to another foundation or non-profit organisation in the course of reorganising a foundation is free from tax.
Finland	No, but there are some exceptions (e.g. private equity funds)
France	No
Germany	No
Greece	No, but income from securities is taxed.
Hungary	No
Ireland	No
Italy	Yes
Latvia	No
Lithuania	No, provided that the annual profit of the organisation does not exceed 1 million Lithuanian litas (LTL) (approximately 300,000 euros).
Luxembourg	No, if it does not derive from commercial activities and is used for the foundation's purpose.
Malta	Yes
Netherlands	No
Poland	No, provided that it is used for the foundation's purposes, as listed in the statutes.
Portugal	No, but income from bearer securities is taxed.
Romania	No, only if they exceed 15,000 euros.
Slovakia	No, except for sale of investments.
Slovenia	No
Spain	No
Sweden	No, foundations which meet specific criteria are exempt. Foundations that fulfil the criteria of Chapter 7 Arts. 3-6 IL do not have to pay taxes on capital gains and capital losses.
United Kingdom	No

19. Majority shareholding and taxation of majority shareholding of public benefit foundations

Country	Is majority shareholding in companies permitted?	Is majority shareholding in companies taxed?
Austria	Public foundations: No Private foundations: Yes, if not involved in company management	No. If the foundation invests its assets in resident company shares or participation, the dividends are not taxed.
Belgium	Yes	Yes, dividends are taxed with the tax on legal entities (25% or 15%)
Bulgaria	Yes	Yes. Income from shareholding is first taxed in the subsidiary company with a corporate tax (10%). Afterwards the profit is subject to a dividends tax (5%), which is withheld at the source.
Cyprus	Yes	No
Czech Republic	No	N/A
Denmark	Yes, but then they are governed under a separate act as a commercial foundation	No, dividends from Danish companies in which the foundation holds at least 15% of the shares are exempt. Income of the company is treated as income of the foundation in cases where a foundation has a minimum 75% shareholding .
Estonia	Yes	No
Finland	Yes	No, major shareholding is not considered to be economic activity and is tax-exempt.
France	Yes, if it is in line with foundation's purpose	No, but "influential" shareholding is.
Germany	Yes	No, but "influential" shareholding is.
Greece	Yes	No
Hungary	Yes	No
Ireland	Yes	No, as long as it is in support of charitable purposes.
Italy	Yes, but foundations of banking origin: instrumental enterprises. ONLUS: only in certain companies.	Yes. The dividends from shareholding in companies by public-benefit foundations are taxed.
Latvia	Yes	No
Lithuania	No. Foundations' assets must be maintained in credit institutions.	N/A
Luxembourg	Yes	Yes. If it is deemed to be commercial or industrial it will be subject to the regular corporate tax rate of around 30%.
Malta	Yes	Yes
Netherlands	Yes	No, but "influential" shareholding is.
Poland	Yes	No
Portugal	Yes	No
Romania	Yes	Yes

Slovakia	Yes	No
Slovenia	No	N/A
Spain	Yes, but the Protectorate must be informed.	No
Sweden	Yes	Yes
United Kingdom	Yes	No

20. Donations: Income tax, gift and inheritance tax

Country	Do public benefit foundations pay income tax on grants and donations?	Are grants/donations subject to gift and inheritance tax?
Austria	No	Yes, donations to national foundations are generally taxed at a flat rate of 2,5%. If real property is subject of the donation there exists an additional flat rate of 3,5%.
Belgium	No	Yes, but inheritance tax: reduced to 6.6%, 7% or 8.8% depends on region. Gift tax: Reduced to 6% or 7% depends on region.
Bulgaria	No	No
Cyprus	No	No, there is no gift and inheritance tax.
Czech Republic	No	No
Denmark	Yes, but deductions are possible.	No, if included on a Ministry of Taxation list of public- benefit foundation
Estonia	No	No
Finland	No	No
France	No	No
Germany	No	No, donations to public benefit organisations are generally exempt.
Greece	No	No
Hungary	No	No
Ireland	No	No
Italy	No	No, public benefit purpose foundations and foundations of banking origin are tax exempt. Other foundations pay 8%.
Latvia	No	No
Lithuania	No	Yes, but for the donor only.
Luxembourg	No	Yes, but at the reduced rate of 4%. However, the tax does not apply to gifts or legacies by bequest that establish the foundation. Furthermore, gift tax is only due on registered gifts. Thus, informal gifts (so-called "dons manuels") to charities are not subject to gift tax.
Malta	No	No, gift and inheritance tax has been abolished. 5% duty on transfer of documents related to immovables/shares.
Netherlands	No	No, if the organisation is a qualified charitable institution.
Poland	No	No
Portugal	No	No
Romania	No	No

Slovakia	No	No. There is no Gift and Inheritance tax in the Slovak system.
Slovenia	No	No
Spain	No	No
Sweden	No	No. Gift and inheritance tax has been abolished.
United Kingdom	No	No

21. Tax deduction vs. tax credit

Country	Is there a system of tax deduction or of tax credit?
Austria	Tax deduction.
Belgium	Tax deduction.
Bulgaria	Tax deduction.
Cyprus	Tax credit..
Czech Republic	Tax deduction.
Denmark	Tax deduction, but only donations to recognised public benefit foundations are tax-deductible for the donor.
Estonia	Tax deduction.
Finland	Tax deduction. However, only monetary gifts by corporations are tax-deductible.
France	Tax credit.
Germany	Tax deduction.
Greece	Tax deduction.
Hungary	None.
Ireland	If a donor is 'taxed at source', the charity claims the tax back. If a donor is self-assessed for tax, the donor claims the tax back.
Italy	Tax credit or tax deduction.
Latvia	Tax deduction for individuals and tax credit for corporate donors.
Lithuania	Tax deduction only for legal persons.
Luxembourg	Tax deduction.
Malta	Tax deduction for corporate donors only.
Netherlands	Tax deduction.
Poland	Tax deduction.
Portugal	Tax credit for individuals and tax deduction for corporate donors.
Romania	Tax deduction.
Slovakia	None.
Slovenia	Tax deduction.
Spain	Tax credit.
Sweden	None.
United Kingdom	Tax deduction.

22. Tax treatment of individual donors

Country	Limit of incentive?	Amount deductible on 10,000 euros*	Amount deductible on 100,000 euros* ¹
Austria	Donations to certain organisations can be deducted up to 10% of taxable income.	10,000	30,000
Belgium	Only cash donations, except works of art to museums. Up to 10% of taxable income, with a maximum of 319,580 euros (2005).	10,000	30,000
Bulgaria	Cash, real estate and in-kind donations. Deduction varies between 5% and 50% of the income and depending on the type of beneficiary may be up to 65% of the total income.	10,000	100,000
Cyprus	There is no limit and the whole amount of the donation can be deducted.	10,000	100,000
Czech Republic	Movable assets or real estate. Deductible up to 10% of taxable income, if at least 2% of income is donated, but not less than 1,000 CZK (approximately 35 euros).	10,000	30,000
Denmark	Cash and in-kind donations to qualifying charitable organisations exceeding 500 DKK (approx. 70 euros) up to 7,900 DKK (approx. 1,000 euros) are deductible.	1,000	1,000
Estonia	Total of donations deducted cannot exceed 5% of the donor's total income.	10,000	15,000
Finland	No tax incentives for individual donors.	0	0
France	Income tax reduction equal to 66% of the value of their gift (75% in some cases), up to 20% of the donor's taxable income. Alternatively, individual donors may chose a wealth tax reduction equal to 75% of the value of the gift, up to Euros 50,000.	6,600 - 7,500	60,000
Germany	Tax deduction up to 20% of the yearly taxable income with the possibility to carry forward. Exceeding amounts can be carried forward to future tax years without any limitation. In addition, individual donors can deduct the maximum amount of 1 million euros over a period of 10 years.	10,000	60,000
Greece	Cash donations only, exception is medical equipment to hospitals. Only donations above 100 euros are deducted. Limit in the field of culture: 10% of income.	10,000	30,000

¹ All amounts in euros. Calculation is made based on a taxable income of 300,000 euros.

Hungary	No tax incentives for individual donors.	0	0
Ireland	Cash and publicly-quoted shares can be donated. Minimum of 250 euros. Total tax relief claimed may not be over 50% of gross income.	10,000	100,000
Italy	Cash donations only. Tax credit for 19% of the donation to ONLUS with a limit of up to 2% of the income. No limits for donations to universities.	1,900	6,000
Latvia	Individual donors can receive an income tax deduction equal to 25% of the value of donated amounts, but not exceeding 20% of total taxable income.	2,500	25,000
Lithuania	No tax incentives for individual donors.	0	0
Luxembourg	Donations are deductible up to 20% of the annual income of the donor or 1,000,000 euros, provided the donations have an aggregate value in excess of 120 euros. Cash donations mostly, but in-kind donations are deductible in some cases.	10,000	30,000
Malta	No tax incentives for individual donors	0	0
Netherlands	Donations from 1% (or over 60 euros) of taxable income up to 10% of taxable income are deductible.	10,000	30,000
Poland	Cash, shares, securities, real-estate and in-kind-donations. Limit of incentive: 6% of the tax base.	10,000	18,000
Portugal	25% of the amount donated can be subtracted from income tax when there is no limit on deduction for corporate donors. 25% of the amount donated can also be subtracted, as long as the amount does not exceed 15% of their total income tax in the respective year, when there is a limit on deduction for corporate donors.	2,500	25,000
Romania	Donation can be deducted up to 2% of total income.	6,000	6,000
Slovakia	No tax incentives for individual donors.	0	0
Slovenia	The total amount of cash and in-kind donations to foundations can be deducted, which accounts for 0.3% of liable person's taxed income in a tax year.	900	900
Spain	Tax credit of 25% of the value of the donation up to a limit of 10% of the total taxable income of the donor. Movable and immovable property.	2,500	25,000
Sweden	No tax incentives for individual donors.	0	0
United Kingdom	Cash donations are deductible via Gift Aid and payroll giving schemes. The donor claims a deduction on taxable income or capital gains for the amount of the donation grossed up by the basic rate of tax. Gift Aid allows the charity to reclaim from HMRC the income tax deducted from the donation.	10,000	100,000

23. Tax treatment of corporate donors

Country	Limit of incentive?	Amount deductible on 10,000 euros*	Amount deductible on 100,000 euros* ²
Austria	Deductions up to 10% of business profits.	10,000	20,000
Belgium	Only cash donations, the exception being works of art donated to museums: up to 5% of the taxable income, with a maximum of 500,000 euros.	10,000	10,000
Bulgaria	Donations are not levied with a tax withheld at the source and lead directly to decrease of the financial result if they amount up to 10%, 15% or 50% (dependent on the recipient) from the positive financial result. The total amount of the deduction cannot exceed 65 % of the total income.	1,000-5,000	10,000-50,000
Cyprus	Whole amount of the donation can be deducted - subject to certain conditions. The same conditions are applicable as to individual donors.	10,000	100,000
Czech Republic	The donation can be a movable asset or real estate. The donation is deductible up to 5% of taxable income, in some cases up to 10%, provided at least 2,000 CZK (approximately 70 euros) is donated.	10,000	10,000-20,000
Denmark	Gifts to qualifying charitable organisations exceeding 500 DKK (approximately 70 euros) up to 7,900 DKK (approximately 1,000 euros) are deductible each year.	1,000	1,000
Estonia	Total of donations deducted from taxable income may exceed neither 3% of the sum of the payments made during the year and subject to social insurance tax, nor 10% of the calculated profit of the latest fiscal year.	300	3,000
Finland	Monetary donations made by corporations with a minimum amount of 850 euros are eligible for a tax deduction. Maximum amount depends on the recipient, divided in two categories. Maximum amount of a donation given to a publicly financed university or to a fund within the university is 250.000 euros. Maximum amount of a donation given to a public benefit foundation is 50.000 euros.	10,000	50,000-100,000
France	Tax reduction equal to 60% of donations to public utility foundations up to 0.5% of their annual turnover.	6,000	25,000
Germany	A tax deduction on the income up to 20% of yearly taxable income (or 0.4% of the sum of the turnover and salaries).	10,000	20,000
Greece	Cash donations are deductible up to a maximum of 10% of the taxable income. Where the cash donation exceeds 2,950 euros, the whole amount can be deducted if the donor pays withholding tax at a rate of 10% of the donation.	10,000	20,000
Hungary	No tax incentives in place for corporate giving.	0	0
Ireland	Donations over 250 euros are deductible in full.	10,000	100,000

² All amounts in euros. Calculation is made based on a turnover of 5,000,000 euros and profits of 200,000 euros.

Italy	Cash donatians only. Up to 2% of income up to 1,032.91 euros for donations to ONLUS (Organizzazione Non Lucrativa di Utilita' Sociale) and other NGOs. No limits on donations to universities or university foundations.	15,000	40,000
Latvia	A tax deduction of 85% of donated sums, up to 20% of total payable tax.	8,500	85,000
Lithuania	Deductions up to 40% of business profits, cash donations limit of incentive is approx. 9,500 euros.	9,500	9,500
Luxembourg	Donations are deductible up to 20% of the taxable net annual income of the donor or 1,000,000 euros, provided the donations have an aggregate value in excess of 120 euros. Cash donations mostly, but in-kind donations are deductible in some cases.	10,000	40,000
Malta	Cash donations only. Limit of incentive: 2,400 euros.	2,400	2,400
Netherlands	Donations of 227 euros or over can be deducted, with a maximum of 10% of the annual income.	10,000	20,000
Poland	Cash, shares, real estate and in-kind donations are deductible. Limit of incentive: 10% of the tax base.	10,000	20,000
Portugal	No limits on tax deduction when donations benefit state-supported foundations or represent endowment of private origin foundations pursuing social or cultural aims. Donations are calculated as a cost to the donor and rates range from 120%-150% of the monetary value of the donation.	12,000 – 15,000	120,000 – 150,000
Romania	Donations can be deducted up to 3% of the turnover, but no more than 20% of the profit tax.	10,000	100,000
Slovakia	No tax incentives in place for corporate giving.	0	0
Slovenia	A tax deduction in the amount of cash donations paid to a foundation, which accounts for 0.3% of taxable entity's taxed income in a tax year.. There is additional tax relief for research funding.	600	600
Spain	Corporations can deduct 35% of all donations up to limit of 10% of the taxable base or 0.1% of the company's turnover in form of a tax credit.	3,500	20,000
Sweden	No deductions in general. However, some donations can be deducted as business expenses.	0	0
United Kingdom	Money, qualifying shares and securities and interests in UK real estate. A deduction from taxable profits for donations of money to UK charities can be claimed.	10,000	100,000

24. Tax treatment of cross-border donations and legacies

Country	Are donations to foreign-based public benefit organisations income tax deductible for the donor?	Gift and inheritance tax exemption for donations/legacies to non-resident organisations?
Austria	Yes, but only donations made to organisations with public benefit purpose resident in EU or EEA countries and which have been included in a register kept by the fiscal authorities in Vienna.	Until August 2008 posthumous donations to foreign, non-resident public benefit foundations were taxed at a regular tax rate according to the Gift and Inheritance Tax Act.
Belgium	Yes, donations to qualifying domestic institutions or to similar institutions from another member state of the European Economic Area, which are recognised on a similar manner are tax deductible. Non-resident receiving organizations within the EEA should be considered as comparable to a Belgian institution and should be licensed 'in a similar manner' in their country of residence, in order to generate tax relief for the donor.	Yes. According to the new legislation, tax relief (reduced rate) has now been extended to comparable organisations located in EU or EEA countries.
Bulgaria	Yes. From 1 January 2010 donations to organisations registered in EU countries will be tax deductible for the donor. In order to have the tax benefits, the donor must fulfill the following requirements: present an official legalized document, issued and verified by the relevant foreign state authorities that prove the statute of the organisation that receives the donation and its Bulgarian official translation.	Non-profit legal entities registered as public benefit organisations are exempt from gift and inheritance taxes.
Cyprus	Yes, where a donation is made to a non-resident public benefit foundation which has met all the conditions that the Council of Ministers wishes to impose, then a tax credit is available.	No such tax.
Czech Republic	No	No
Denmark	Yes, deductions are possible for non-resident public-benefit foundations, if they register as charitable in Denmark.	No
Estonia	No	No such tax.
Finland	Yes, in some cases. Donations to state supported universities based within the EU, which are found to be equivalent to Finnish universities, would be tax deductible for the Finnish corporate tax payer up to 250,000 euros. Similarly donations to foreign EU-based public benefit organisations supporting arts, science or Finnish culture would be tax deductible up to 50,000 euros.	Depends on bilateral tax agreements.
France	Yes, tax advantages are granted with respect to gifts made to organisations established in the EEA in countries in two cases: (i) The country has signed a tax treaty with France containing a clause for assistance against tax fraud or evasion provided such organisations obtain a specific agreement from the French tax authorities. (ii) In the case where the	Yes, in some cases. Donations to a foreign foundation may benefit from the same tax treatment as donations made to French foundations only if (i) the foreign foundation performs its activities in France or (ii) is regarded as having a public-benefit purpose in France.

	organisation has not got this agreement, the donors may still benefit from the tax advantages provided that they file evidence that the organisation is comparable to a French tax exempt organisation. Details will be refined in a forthcoming application decree.	
Germany	Yes. In mid December 2009, the German Government issued a law proposal, which introduces the tax deductibility of cross-border donations. Individual and corporate donors are able to deduct their charitable donations to EU or EEA based public benefit foundations, only if those organisations would also qualify for corporate income tax exemption in Germany (they need not have income in Germany but if they did have income the income would need to qualify for exemption). As a consequence, in cases where the beneficiary foundation solely pursues public benefit activities outside of Germany, the activities “either have to support individuals which have their permanent residence in Germany or the activities could benefit Germany’s reputation”.	No.
Greece	Yes, but only in the case of gifts to the following foreign organisations will the donor benefit from tax deduction: The Patriarchates of Constantinople, Alexandria and Jerusalem, the Holy Monastery of Sinai and the Orthodox Church of Albania.	Yes. Foreign non-profit legal persons pursuing proven charitable purposes are exempt from gift tax, where reciprocal treatment is available.
Hungary	No	No
Ireland	No. Donations must be to charities with an Irish Charity number.	No
Italy	Yes, Article 15, para. 1, sub <i>i-bis</i> of TUIR, provides a tax credit for donations to “humanitarian initiatives carried out by foundations identified by a specific Governmental Decree in countries not belonging to the OECD. This is applicable to donations by both individual and corporate donors. In addition, There is no legal provision which explicitly restricts the tax deductibility to legal entities established in Italy. non resident entities could be qualified as ONLUS (<i>Organizzazione Non Lucrativa di Utilita' Sociale</i>) if they satisfy Italian law requirements.	Exempt where reciprocal treatment is available.
Latvia	Yes, as for donations to Latvian organisations, corporate donations to organisations registered in other EU/EEA countries, that have public benefit status or its equivalent according to country’s legislation are tax deductible up to 85% of the value of the donation, not exceeding 20% of total taxable income.	No such tax.
Lithuania	No	No

Luxembourg	Yes. On July 20 th 2009 the Luxembourg Government issued a <i>circulaire</i> , which extends tax incentives for Luxembourg resident tax payers if they give to recognised public benefit organisations based in other EU countries, Iceland, Liechtenstein, Norway or Switzerland.	No
Malta	<i>Information pending</i>	
Netherlands	Yes, a domestic donor (individual or corporate donors) can receive a tax benefit when donating to foreign foundations, as long as the Ministry of Finance has qualified it as a charitable institution. As of 1 January 2008 a charitable organisation resident in the EU, the Netherlands Antilles, Aruba or another qualified country has the same tax privileges as a similar Dutch-based institution.	Yes. A domestic donor (individual or corporate) can receive a tax benefit when donating to foreign foundations, as long as the Ministry of Finance has qualified it as a charitable institution.
Poland	Yes, donations to non-resident public benefit foundations within the European Union are tax-deductible.	Yes. Gift and inheritance tax applied only to individuals.
Portugal	Yes, in some cases. References in the Tax Benefits Statute (Art. 56 D.3 d, e and f) to NGOs and other entities may serve as a legal basis to grant tax incentives to corporate and individual donors when donating to non-resident public benefit foundations.	Exemption is awarded to legal entities of public utility. However, considering that the status requires the pursuance of aims of general interest for domestic benefit, exemption seems restricted to resident public benefit foundations.
Romania	No	No such tax.
Slovakia	No, but there are also no tax incentives for local giving.	No such tax.
Slovenia	Yes, the tax relief for donations to foundations is also applicable to donations to residents of other European Union member state	Yes. Gifts and legacies are not subject to taxation if the aggregate value of movable property is lower than 5,000 euros
Spain	No	Yes, but inheritance and gift tax only applies to individuals.
Sweden	No, but there are also no tax incentives for local giving.	There is no gift or inheritance tax.
United Kingdom	No	No. The donor would be liable to inheritance tax on a gift to a non-resident foundation. In practice, it is often possible for the donor to obtain relief by making the gift to a UK intermediary charity.

25. Tax benefits for foreign-based foundations

Country	Can a foreign based foundation get the same tax benefits as a national foundation according to the wording of your tax law? If yes, under what conditions?
Austria	Yes. Foreign foundations are exempt from corporate income tax, if they pursue directly and exclusively public benefit, benevolent or religious purposes. They are not exempt from Real Estate tax.
Belgium	Yes, as far as corporate tax exemption is concerned.
Bulgaria	Yes, if the foundation has registered a branch in Bulgaria in accordance with the LNPLE (Law on Non-Profit Legal Entities), implementing activity for public benefit.
Cyprus	No
Czech Republic	No. To achieve tax benefits, a foreign foundation or its branches has to be registered under the Act on Foundations.
Denmark	Yes. Every fiscal year the Danish taxation authorities publish a list of organizations which fulfil the requirements and any charitable organization and foundation (Danish or based in another EU Member State) can apply for the tax exempt status. Applications for the coming fiscal year must be received by the Danish taxation authorities no later than 1 st October 2008. Foreign foundations submitting an application to the Danish tax authorities must document that they have a tax exempt public benefit status in their home country.
Estonia	No, not if it is not registered in Estonia. However, according to a government decree, grants paid by any foreign foundation for research, study, arts or sports are free from taxes.
Finland	No. Only if registered as a Finnish foundation.
France	Yes, but only if the foreign foundation performs its activities on the French territory and is regarded as having a public benefit purpose in France.
Germany	Yes, providing that they benefit the German public at large.
Greece	It depends. In order to benefit from the same tax benefits, the foreign organisation must prove to the Greek tax authority (a) that they pursue public benefit purposes and (b) that there is reciprocity in their country regarding tax exemption in favour of foreign (Greek) non-profit legal persons.
Hungary	No
Ireland	No
Italy	Yes, if recognized as ONLUS. The Ministerial Memorandum 24/E of 26 February 2006 provides that foreign non-profit entities can be qualified in Italy as ONLUS.
Latvia	No
Lithuania	No, unless the foundation sets up a local branch according to national law.
Luxembourg	No
Malta	No
Netherlands	Yes As of 1 January 2008 a qualified charitable organisation resident in the EU, the Netherlands Antilles, Aruba or another qualified country can receive the same tax status as a similar Dutch-based institution. Additional conditions may be laid down for foreign foundations to qualify as a charitable institution.
Poland	Generally no, but the operations of a representative office of the foreign foundation is treated similarly as the national foundation in regard to taxes. However, if it runs economic activity, it is subject to separate regulations

	governing the conduct of economic activity on the territory of Polish Republic by the representatives of foreign entities.
Portugal	Yes, if the foreign foundation applies for public utility status.
Romania	No
Slovakia	Yes, but only in limited cases and depending on bilateral agreements between countries.
Slovenia	No
Spain	No, but according to the civil law, a foundation will receive the same tax benefits if it establishes a formal branch in Spain, which is registered by the competent public body, promotes purposes of general interest and fulfils the legal requirements for foundations according to the Spanish law. If the foreign foundation's sole activity in Spain is fundraising, civil law does not allow formal registration and the special tax regime will therefore not be applicable.
Sweden	Yes. A foreign foundation is entitled to receive the same tax benefits as a tax-exempt Swedish foundation if the foreign foundation fulfils the requirements of Swedish tax law.
United Kingdom	No

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