

[DAFNE & EFC | Philanthropy House | Rue Royale 94 | 1000 Brussels | Belgium](#)

Prime Minister
Juha Sipilä
Finland

Sent by email: juha.sipila@vnk.fi

Brussels, 15 October 2018

Dear Prime Minister,

It is with concern that we have learned about a recent law proposal that would broaden the taxation of real estate income of public benefit organisations in Finland.

We would like to draw attention to the European Foundation Centre's (EFC) 'Comparative Highlights of Foundation Laws' point 19 and respective chart on pages 47-48:

<http://www.efc.be/publication/comparative-highlights-of-foundation-laws-the-operating-environment-for-foundations-in-europe-2015/>

As you will see from the report in the majority of European countries, tax exemptions exist for foundations' income from both asset administration and economic activities. For the purposes of this publication, economic activity can be understood as "trade or business activity involving the sale of goods and services". "Related" economic activity is in itself related to and supports the pursuance of the public benefit purpose of the foundation. According to the above normal asset administration by foundations (including investment in bonds, shares, real estate) would not be considered economic activity.

We are hence of the opinion that the Finnish law proposal would, apart from having a detrimental effect on the Finnish public benefit sector, also run counter to the overall trend in Europe.

Yours sincerely,



Gerry Salole
Chief Executive
European Foundation Centre



Max von Abendroth
Executive Director
DAFNE



Donors and Foundations Networks in Europe (DAFNE)

DAFNE is Europe's largest network of donors and foundations associations. With 26 member associations with a collective membership of more than 10,000 foundations and grant-makers, DAFNE is a leading voice of European foundations. It underpins individual activities of its members by encouraging dialogue and collaboration between the national associations. DAFNE is currently chaired by Felix Oldenburg, General Secretary of the Association of German Foundations.

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The European Foundation Centre (EFC)

The European Foundation Centre (EFC) is the platform of institutional philanthropy with a focus on Europe, but also with an eye to the global philanthropic landscape. It is a network of foundations and philanthropic institutions committed to the development and promotion of institutional philanthropy in Europe and globally. With the aim of being the voice of institutional philanthropy in Europe, the EFC promotes and communicates the value of institutional philanthropy to society thus contributing to an environment in which philanthropy can flourish. It serves as a hub of sector exchange and intelligence, to help its members increase the impact of their added value in society.

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