



EFC LEGAL AND FISCAL COUNTRY PROFILE

*The operating environment for
foundations*

SLOVENIA – 2014

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The operating environment for foundations

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I. Legal framework for foundations

1. Does the jurisdiction have a basic legal definition of a foundation (Description where applicable)? What different legal types of foundation exist (autonomous, non-autonomous without legal personality, civil law, public law, church law, corporate foundations, enterprise foundations)?

The term “foundation” may be used in the name by legal entities which have been established for general beneficial or charitable purposes and do not pursue such purposes as a profit-oriented activity.

(Article 34, paragraph 1 of the Foundations Act, 1995).

2. What purposes can foundations pursue?

According to the Foundations Act, a foundation is a legal entity of private law.

The purpose of a foundation shall be generally beneficial or charitable and, as a rule, permanent.

The purpose of a foundation is generally beneficial if the foundation has been established to carry out activities in the fields of science, culture, education and training, sport, health, child and disabled care, social welfare, environmental protection, conservation of natural treasures and cultural heritage, and religion.

The purpose of a foundation is charitable if it has been established for the purpose of helping persons who are in need of such help.

(Article 2, para. 2 and 3, Foundations Act)

3. What are the requirements for the setting up of a foundation (procedure, registration, approval)? What application documents are required? Are there any other specific criteria for registration?

A foundation may be established by a domestic or foreign natural person or legal entity (Article 4).

The founder may establish a foundation with a legal act *inter vivos* or in the event of death (Article 5, para.1).

The deed of establishment as a legal act *inter vivos* shall be made up in the form of a notarial deed (Article 7, para. 1).

The deed of establishment as a legal act in the event of death shall fulfil the conditions of legal form for one of the testaments according to the inheritance law (Article 8, para. 1).

The approval of the deed of establishment shall be issued by the body competent for foundations (i.e. the ministry whose operating range covers the purpose of the foundation) within 30 days of receipt of the deed of establishment (Article 12, para. 1).

This shall be immediately delivered to the ministry competent for administration by the body competent for foundations.

The body competent for foundations shall issue its approval provided that:

- The deed of establishment fulfils the conditions specified by the Foundations Act and other acts
- The purpose of the foundation must be generally beneficial or charitable
- The original property has been allocated
- The establishment is not contrary to public order

(Article 11)

4. Is State approval required? (approval by a State Supervisory Authority with/without discretion? Registration with a state authority or court? Notarisation by a Notary public?)

Yes

5. Do foundations have to register? If yes, in what register?

Yes. The register is at the Ministry for Home Affairs.

a) If foundations are registered, what information is kept at the register?

Only basic information about every foundation in Slovenia.

b) If foundations are registered, is the register publicly available?

Yes

6. Is a minimum founding capital required? Is the foundation required to maintain these assets or any other specified asset level throughout its lifetime?

No

7. What governance requirements are set out in the law?

The foundation is governed by the board of trustees.

If there are several founders of the foundation, they may create a common body of the founders which, however, shall not be able to assume the obligations of the board of trustees (Article 21).

a) Is it mandatory to have a supervisory board?

No. The supervisory board under Slovenian legislation is not an obligatory body of the foundation. The board of trustees adopts a decision about the establishment of other bodies of the foundation.

b) What are the requirements concerning board members? Is a minimum/maximum number of board members specified? What are the rules concerning appointment of board members? And their resignation/removal?

The board of trustees shall consist of at least three members. The members of the board of trustees shall be appointed in accordance with the deed of establishment and the regulations. In the event that on the basis of the deed of establishment or the regulations it is not possible to appoint the board of trustees, the board of trustees shall be appointed by the body competent for foundations.

Members of the board of trustees cannot be:

- Persons who are not of age or have no legal capacity
- Persons employed in the foundation
- Persons exercising supervision of the foundation (Article 22)

c) What are the duties and what are the rights of board members, as specified by national legislation?

The board of trustees is the highest body of foundation's management and has the following duties:

- managing the foundation's property,
- setting the amount of funding available in internal funds for the purposes of implementation, and deciding on the use of these funds on the basis of the adopted annual programme of work and the financial plan,
- consenting to the rulebooks and acts which are the responsibility of the foundation's other bodies.

The board of trustees has the following rights:

- adopting the statute of the foundation and any changes and additions thereto,
- adopting the annual work programme and budget of the foundation,
- adopting the reports of other bodies of the foundation, and the report on financial operations.

d) What are the rights of founders? Can fundamental decisions, such as change of purpose, be made at the discretion of the founder? What are the legal requirements in such circumstances?

The foundation council as a joint body consisting of founders:

- appoints and dismisses the members of all the foundation's bodies (e.g. board of trustees, science council, director)
- gives consent to the annual reports, to the proposed statutes and amendments and additions thereto.

The fundamental decisions are the rights of the board of trustees.

e) What are the rights of beneficiaries (e.g. right of information)?

The right of information is very important right for any beneficiaries.

f) What rules are in place to ensure against conflict of interest? What is the legal definition of a conflict of interest under your legislation? How is self-dealing prohibited?

The Slovenian legislation (e.g. the Foundation Act) prohibits the establishment of foundations with a private purpose, meaning that it is not possible for founders or members of foundation's staff to be a beneficiaries of the foundation.

g) Can staff (director and/or officers) participate in decision making? How and to what extent?

This matter is reliance from the board of trustees. Director as one of the legal non-obligatory bodies of the foundation can prepare prepositions of the foundation's documents, a prepositions of the conclusions and in this way participates in decision making. Director as a manager of foundation appointed by the board of trustees performing such other tasks as, in line with the founding act or statute, are not the responsibility of the board of trustees or other bodies of the foundation. The extent of this rights is usually definite in founding act or statute.

8. Who can represent a foundation towards third parties? Is this specified in law or is it up to the statutes of the organisation?

The president of the board of trustees or the director of the foundation represents the organisation. This is specified in the Foundation Act and in the statute of the foundation.

a) Do the director and officers have powers of representation?

The director of the foundation organises and heads business operations. The director is authorised by the board of trustees to represent the foundation.

9. Liability of the foundation and its organs

The foundation is governed by a board of trustees with at least three members.

The board of trustees shall take care of implementation of the purpose of the foundation.

The board of trustees shall manage the property of the foundation with the due diligence of a prudent businessman.

a) What is the general standard of diligence for board members? Does your country differentiate between voluntary (unpaid) and paid board members?

No

b) Is there a "business judgment rule", giving a board member a "safe harbour", if she/he (1) acts on an informed basis; (2) acts in good faith, (3) acts in the best interests of the corporation, (4) does not act out of self-interest (duty of loyalty concept plays a role here), and (5) is not wasteful?

The board of trustees shall manage the property of the foundation with the due diligence of a prudent businessman.

c) What is the liability of executive staff?

The executive staff:

- manages the foundation's property,
- carries out internal monitoring of financial operations,
- cooperates with the state's body which is responsible for the foundation, as required.

d) Can the founder modify the standard of diligence for board members in the foundation's statutes?

No

e) Can board members be held **civilly** and/or **criminally** liable in the following cases?

	Yes	Probably yes	Unclear	Probably no	No
The foundation distributes money for a purpose which is a public benefit purpose but not accepted in the foundation's statutes.	X				
The foundation loses its status of a tax benefit foundation (because one requirement in tax law was not fulfilled).	X				
The foundation loses money because a board member has acquired some stocks in a company which unexpectedly went bankrupt.	X				
The foundation sells immovable property to the spouse of a board member. The board member was unaware that the price was too low.	X				
The foundation sells immovable property to a third person. The board member was unaware that the price was too low.	X				

10. Are economic activities¹ allowed (related/unrelated)? If so, is there a ceiling/limit on economic activities (related/unrelated)?

Income from performance of economic activities is allowed, but the amount must be less than 30% of the total income.

11. Are foundations permitted to be major shareholders?

No

12. Are there any rules/limitations in civil and/or in tax law regarding foundations' asset management? What, if any, types of investment are prohibited?

The board of trustees shall take care of implementation of the purpose of the foundation.

13. Are foundations legally allowed to allocate grant funds towards furthering their public benefit purpose/programmes which (can) also generate income? (recoverable grants; low interest loans; equities)

No

14. What are the requirements for an amendment of statutes/amendment of foundations purpose?

The name, seat or purpose of the foundation may be changed by the board of trustees in accordance with the deed of establishment. The changes shall come into force after approval by the body competent for foundations (Article 17).

15. What are requirements with regard to reporting, accountability, auditing?

a) What type(s) of report must be produced?

- annual financial report
- annual activity report
- public benefit/activity report,
- tax report/tax return,
- other reports e.g. on 1% schemes)

¹ For the purposes of this profile 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 as economic activity.

The foundation shall keep accounts and produce annual reports in compliance with regulations.

b) Must all/any of the reports produced by the foundation be submitted to the supervisory authorities? If so, to which authorities (e.g. foundation authority, tax authority)?

By the end of March each year, the board of trustees shall submit a report on its work and financial management in the preceding calendar year to the body competent for foundations (Article 30, para. 1 and 2).

c) Are the reports checked/reviewed? By whom (supervisory/tax authorities)?

The reports are reviewed by national bodies, which are responsible for foundations at the different ministries, whose operating range covers the purpose for which a given foundation has been established.

d) Do any or all of the reports and/or accounts of foundations need to be made publicly available? If so, which reports and where (website, upon request)

Foundations have to keep accounts and produce annual report(s) in compliance with the law (Foundation Act)

e) What are the legal requirements concerning external audit? Is external audit required by law for all foundations?

The body competent for foundations may request an audit of financial management by a certified auditor (Article 30, para. 3).

f) By whom should audits be undertaken? Do requirements/guidelines exist regarding international and national auditing agencies and standards?

The audit is usually utilised in practice in Republic of Slovenia, in some special cases on demand of the Slovenian government or the European Commission.

16. Supervision (which authority – what measures / sanctions?)

In the course of the establishment, operation and termination of foundations, the ministry whose operating range covers the purpose for which a given foundation has been established (the body competent for foundations) will be responsible for overseeing that foundation (Article 3).

In the event that it is not possible to appoint such a ministry, the ministry responsible for public administration shall be competent.

Supervision of financial management shall be carried out by competent public bodies or an authorised organisation.

The body competent for foundations may request an audit of financial management by a certified auditor (Article 30).

a) Does the supervisory authority comprise of a public administrative body, a public independent body, a combination of a governmental body and a court, or a public body and an independent body?

The supervisory authority usually comprises a public body and an independent body.

b) What is the extent of the supervision? Does the body review reports and make inquiries? Are public benefit organisations subject to inspection?

The extent of the supervision is usually the review of the activity report and the financial report.

Yes, the supervisory body reviews the reports and makes inquiries.

Yes, public-benefit organisations are subject to inspection.

c) Is approval from the authority required for certain decisions of the Board of Directors?

No.

d) Is it mandatory to have a state supervisory official on the board?

No.

e) What enforcement measures are in place (including compliance measures and sanctions for non-compliance) concerning registrations, governance, reporting, and public benefit status?

17. When and how does a foundation dissolve?

The foundation shall be terminated in the event that:

- The property fails to be sufficient for further implementation of the purpose of the foundation
- The purpose of the foundation becomes impossible
- In other cases when the body competent for foundations determines that there are no grounds for further existence of the foundation
- The purpose for which the foundation had been established has been fulfilled (Article 31)

The board of trustees or the body competent for foundations shall decide upon the termination of the foundation.

In accordance with the will and the purpose of the founder(s), the remainder of the property following the liquidation shall be allocated to another foundation with the same or similar purpose (Article 32, para. 6).

18. Under what conditions does the civil law in your country recognise a foreign foundation?

In Slovenia, a foundation may be established by a domestic or foreign natural person or legal entity.

19. Does the civil law in your country allow a foundation to conduct (some or all) activities (grant-making, operating, asset administration, fundraising) abroad? Is there any limitation?

Yes, there is no limitation.

II. Tax treatment of the foundation

1. What are the requirements to receive tax exemptions (pursuing public benefit purposes, non-distribution constraint, being resident in the country?). Is there a special approval process for receiving tax exemption? If so does the process have to be repeated every year?

The basic requirement to receive tax exemptions is to establish in accordance with the Foundations Act a foundation to act in the public interest and engage in not-for-profit activities. Under the Corporate Income Tax Act, foundations are exempt from taxes as per the said 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.

2. What are reporting/proof requirements to claim tax exemptions? What does the foundation have to submit to the authorities (statutes, financial reports, activity reports, other?)

3. Is specific reporting required for the use of state funds?

Only on demand.

4. Is there an obligation to report on donors and beneficiaries?

No.

5. Are there specific accounting rules for foundations?

No.

6. Is there a statutory definition in the civil law (foundation law, trust law) of your country what a public benefit purpose (charitable purpose) is? If yes, please give us the definition.

No.

7. Is there a statutory definition in the tax law of your country of what a public benefit purpose is? If yes, please give us the definition.

No. The Slovenian legislation specifies a public-benefit purpose only on a case by case basis.

8. Please indicate whether the following purposes would or would not be accepted for tax privileges in your country:

Public benefit purpose*	Accepted in tax law (for tax privileges)			
	Yes	Probably yes	Probably no	No
Arts, culture or historical preservation	X			
Environmental protection	X			
Civil or human rights	X			
Elimination of discrimination based on gender, race, ethnicity, religion, disability, sexual orientation or any other legally prescribed form of discrimination	X			
Social welfare, including prevention or relief of poverty	X			
Humanitarian or disaster relief	X			
Development aid and development cooperation	X			
Assistance to refugees or immigrants	X			
Protection of, and support for, children, youth or elderly	X			
Assistance to, or protection of, people with disabilities	X			
Protection of animals	X			
Science, research and innovation	X			
Education and training	X			
European and international understanding	X			
Health, well-being and medical care	X			
Consumer protection	X			
Assistance to, or protection of vulnerable and disadvantaged persons	X			
Amateur sports	X			
Infrastructure support for public benefit purpose organisations	X			
<i>Other – please list other purposes accepted in tax law for tax privileges in your country</i>				

* **Note:** The legislation does not list specific types of public benefit purposes; rather, in case of foundations, it prescribes their general benefit or charity.

9. Support of “the public at large”

a) Do the activities of a tax-exempt foundation generally have to benefit “the public at large”?

No

b) If yes, can a tax-exempt foundation support a small number of disadvantaged/ underprivileged individuals?

Examples: Do the following purposes promote the public at large?

	Yes	Probably yes	Unclear	Probably no	No
For benefit of the inhabitants of a city with 1,000,000 inhabitants					
For benefit of the inhabitants of a village with 10,000 inhabitants					
For benefit of the employees of a company					
For benefit of the members of a family					
For benefit of the students of a university					
Award for the best student of a university					

10. Non-Distribution Constraint

a) Does a **tax-exempt** foundation generally have to follow a “non-distribution constraint”² which forbids any financial support of the foundation board, staff, etc.?

No

b) What happens with the foundation’s assets in case of dissolution?

In accordance with the will and the purpose of the founder(s), the remainder of the property following liquidation must be allocated to another foundation with the same or similar purpose.

11. “Altruistic” Element

a) Is remuneration of board members allowed in **civil law** and in **tax law**? If remuneration is allowed, are there any limits in **civil law** and/or in **tax law**?

No

b) Does **tax law** allow a donor/funder to receive some type of benefit in return for a donation? (e.g. postcards, free tickets for a concert)

No

c) Is there a maximum amount that can be spent on office/administration costs in **civil law** and in **tax law**?

No

² For the purposes of this profile, a non-distribution constraint implies that any transactions/benefits to third parties going beyond reasonable compensation for services rendered are prohibited (such as unreasonable board remuneration or excessive payments to service deliverers) except where transactions/benefits provided are part of the direct promotion of the public benefit purpose.

If yes, how are “administration costs” defined? Please indicate which of the following types of expenditures would/would not be considered as “administration costs”:

- Personnel costs (staff salaries/payroll costs)
- Board remuneration
- Costs of external audit
- Other legal/accounting costs
- General office overheads (rent/mortgage payments, utilities, office materials, computers, telecommunications, postage)
- Insurance
- Publicity and promotion of the foundation (e.g. website, printed promotional materials)
- Asset administration costs
- In the case of an operating foundation – costs related to programmes/institutions run by the foundation
- Costs related to fundraising

12. Hybrid Structures (elements of private benefit in public benefit foundations)

a) Does the **civil law** of your country accept the following provisions/activities of a public benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
The founder restricts the use of the endowment by specifying that the foundation is required to maintain the founder, his spouse and descendants.					X
The founder retains a beneficial reversionary interest in the capital of a property or other asset for his own continuing use.					X
The gift is of only the <i>freehold reversion</i> (residuary interest) in a residence that is subject to an existing lease (for a term of years, or even for life) in favor of the founder (or another member of her/his family) as tenant.					X
A foundation distributes a (small) part of its income to the founder or his family.					X

b) Does the **tax law** of your country accept the following provisions/activities of a tax-exempt foundation?

	Yes	Probably yes	Unclear	Probably no	No
The founder restricts the use of the endowment by specifying that the foundation is required to maintain the founder, his spouse and descendants.					
The founder retains a beneficial <i>reversionary</i> interest in the capital of a property or other asset to retain for its own continuing use.					
The gift is of only the <i>freehold reversion</i> (residuary interest) in a residence that is subject to an existing lease (for a term of years, or even for life) in favor of the founder (or another member of her/his family) as tenant.					
A foundation distributes a (small) part of its income to the founder or his family.					

13. Distributions and Timely Disbursement

a) Are foundations allowed to spend down their capital?

No

b) Are they allowed to be set up for a limited period of time only? If so, is there a minimum length of time for which the foundation must exist?

No

c) 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? If so, is there a specific amount/percentage of the income that must be spent within this time? Which resources would be considered as income? E.g. would donations/contributions designated as being for building up the endowment be included in /excluded from the income to be spent? What expenditures would count towards the disbursement of income (e.g. would administration costs be included/excluded?)?

No

d) Does the **civil law** and/or the **tax law** of your country require a foundation to spend a percentage of its overall assets in the form of a “pay-out rule”?

No

Example: Does the **civil law** of your country accept the following activities of a public benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
A foundation accumulates its income for 5 years, only in the 6 th year are there distributions for the public benefit purpose of the foundation.					X

Example: Does the **tax law** of your country accept the following activities of a public benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
A foundation accumulates its income for 5 years, only in the 6 th year are there distributions for the public benefit purpose of the foundation.					X

14. Does activity abroad put the tax-exempt status at risk?

15. Are there any civil and/or tax law rules regulating cross-border grants by a foundation? If yes, please provide a description of the requirements the foundation must fulfil in such cases.

16. Income tax treatment

How are the following types of income treated for income tax purposes?

Grants and donations

Investment income (asset administration)

- Interest from fixed rate bonds
- Equities
- Income from leasing of a property that belongs to the foundation

Economic activities related/unrelated)

- Income from running a hospital/museum/opera
- Income from producing/selling books (e.g. art books sold by a cultural foundation)
- Income from running a bookshop inside a museum/opera run by the foundation
- Income from running a café in the hospital/museum run by the foundation
- Income from selling T-shirts (activity not related to the pursuance of the public benefit purpose)
- Income from intellectual property (e.g. royalties and licence fees)

Income deriving from grant expenditure towards public benefit purpose/programme activities (such as loans, guarantees, equities)?

Is major shareholding considered as an economic activity and taxed accordingly?

Yes.

17. Are capital gains subject to tax? If so, are they taxed as income or liable to a separate tax?

Yes.

18. Does any kind of value added tax (VAT) refund scheme for the irrecoverable VAT costs of public-benefit foundations exist in your country?

Foundations acting in the public interest in the fields of religion, philosophy, culture, sports and some others, are exempt from payment of VAT.

(Article 42, Value Added Tax Act/Zakon o davku na dodano vrednost)

19. Is capital tax levied on the value of assets, where applicable?

No.

20. Are there taxes on the transfer of assets by foundations?

No.

21. Are there any other taxes to which public-benefit foundations are subject there (e.g. real property tax)?

22. Can a foreign foundation get the same tax benefits as a national foundation according to the wording of the tax law in your country? If yes, under what conditions – if they have to fulfil exactly the same requirements as local based public benefit foundations, please refer to above but indicate which documents need to be provided and translated:

- Statutes (translation required?)
- Last annual financial report (translation required?)
- Documents providing evidence for certain tax law requirements e.g. that income was actually spent for public benefit purposes, which may not be required by the organisation's country of seat but are required according to the legislation of the country from which tax benefits are sought?
- Other?

No.

23. Does your country apply withholding tax to the income from local investments held by domestic and/or foreign-based foundations? If so, can domestic or foreign-based foundations reclaim all or part of the withholding tax under domestic law?

III. Tax treatment of donors of public benefit foundations

1. System of tax credit³ or tax deduction⁴?

System of tax deduction.

2. Tax treatment of individual donors

a) What tax relief is provided for individual donors? Is there a minimum and/or a ceiling to a contribution on which tax incentives can be claimed?

³ For the purposes of this profile tax credit can be defined as an amount that can be deducted from the actual tax to be paid (reduction in amount of tax paid)

⁴ For the purposes of this profile tax deduction can be defined as a reduction in the gross amount on which tax is calculated (reduction in taxable income/tax base)

b) Which assets qualify for tax deductibility?

Persons liable under the Personal Income Tax Act may claim tax reliefs – the total amount of cash and in-kind donations to foundations may be deducted from the tax base – which accounts for 0.3% of their taxed income in a tax year.

(Article 66, *Zakon o dohodnini*), (Personal Income Tax Act), Official Gazette of the Republic of Slovenia, 16 November 2006, 117-12272/06)

3. Tax treatment of corporate donors

a) What tax relief is provided for corporate donors? Is there a minimum and/or a ceiling to a contribution on which tax incentives can be claimed?

b) Which assets qualify for tax deductibility?

Corporate donors may claim a tax relief whereby 20% of their investments in research and development (R&D), in the form of commissioned R&D services carried out by a foundation which is at the same time a private research organisation (Article 55), can be deducted from the tax base.

Corporate donors may claim another tax relief – a tax deduction in the amount of cash donations paid to a foundation, which accounts for 0.3% of the taxable entity's taxed income in a business (tax) year, but may not exceed the tax base in a given tax period.

(Article 59, *Zakon o davku od prihodkov pravnih oseb*), (Corporate Income Tax Act), Official Gazette of the Republic of Slovenia, 16 November 2006, 117-12303/06).

4. Tax treatment of donations to non-resident public-benefit foundations – do donors get the same tax incentive?

The tax relief for donations to foundations is also applicable to donations to residents of other European Union member states.

5. Other frameworks such as percentage law systems

6. What are the requirements that the donor must fulfil/ information they must provide in order to claim tax benefits?

What information do donors have to provide to their tax authority in order receive tax incentives for their donation (e.g. submitting details on the organisation they support: statutes, annual financial report, documents providing evidence for certain tax law requirements e.g. that income was actually spent for public benefit purposes?)?

7. Are there any different or additional requirements to be fulfilled when a donor is giving to a foreign-based foundation?

No.

What information do donors to foreign-based organisations have to provide in order receive tax incentives for their donation (e.g. Statutes (translation required?))? Annual financial report (translation required?))? Documents providing evidence for certain tax law requirements e.g. that income was actually spent for public benefit purposes?)?

IV. Tax treatment of the beneficiary (receiving a grant or other benefit from a foundation)

1. Individuals

Beneficiaries of foundations are exempt from income tax on grants received from foundations established and operating in accordance with the law governing foundations – the Foundations Act. This particularly applies to charity grants (Article 20) as well as scholarships and other benefits that are given to students by foundations active in the fields of education, culture and science.

(Article 25, Zakon o dohodnini, (Personal Income Tax Act), Official Gazette of the Republic of Slovenia, 16 November 2006, 117-12272/06).

2. Legal entities

Not-for-profit organisations (foundations, societies, political parties) are exempt from corporate income tax.

(Article 9, Zakon o davku od dohodkov pravnih oseb, (Corporate Income Tax Act), Official Gazette of the Republic of Slovenia, 16 November 2006, 117-12303/06).

3. Are there any different or additional requirements that must be fulfilled by a beneficiary receiving funding from abroad?

No.

V. Gift and inheritance tax

As legal entities governed by private law and established under the Foundations Act to engage in general benefit activities, foundations are exempt from tax on gifts in the form of movable and immovable property as well as other rights, if a gift or inheritance is used by a legal entity for not-for-gain activities (Article 9).

Movable property includes money and securities. Legacies are also considered gifts.

A gift is not subject to taxation if the aggregate value of movable property is lower than €5,000 (Article 2).

(Source: *Zakon o davku na dediščine in darila*) (Inheritance and Gift Taxation Act), Official Gazette of the Republic of Slovenia, 16 November 2006, 117-12327/06.

1. Does gift and inheritance tax/transfer tax exist in your country and if yes who has to pay the tax in the case of a donation/legacy to a public-benefit organisation (the donor or the recipient organisation)?

Yes. The recipient organisation usually has to pay tax.

2. What are the tax rates? Is there a preferential system for PBO's? Which PBO's qualify? Is there a difference according to the region or the legal status of the PBO?

3. Is there a threshold (non-taxable amount) from gift and inheritance tax for donations/legacies to public-benefit organisations?

Yes. It is €5,000.

4. Is there a legal part of the estate that is reserved for certain protected heirs and which a donor cannot give to third parties?

No.

5. What is the tax treatment (inheritance and gift tax) of legacies to non-resident public benefit foundations?

VI. Trends and developments

1. Are there current discussions about the question of whether cross-border activities of foundations or other non-profit organisations and their donors are protected by the fundamental freedoms of the EC Treaty? Have there been any changes to your country's legislation, resulting from the Persche, Stauffer, Missionswerk or other relevant ECJ judgments, or are changes being discussed?

The Association of the Slovenian Foundations organised in 2012 a public discussion about the European Foundation Statute.

2. Has the fight against terrorism and financial crime led to the introduction in recent years of new laws / rules affecting the foundation sector (e.g. implementation of EU Anti Money Laundering Directive, or reactions to recommendations of the Financial Action Task Force)?

No.

a) Is there a specific national/regional anti-terrorism act (legislation) in your country, (which one and date of entry into force or adoption)?

b) If so, has this law introduced new legal and regulatory requirements for foundations (please describe)?

c) Has the foundation supervisory authority introduced new regulatory/oversight requirements to comply with counter terrorism measures/law?

d) Has the foundation supervisory / regulatory authority(ies) introduced guidance tools to assist foundations to comply with counterterrorism measures/law?

e) If so, did the foundation supervisory authority engage in a consultation with the foundation sector on counter terrorism measures/ does it plan such a consultation?

3. Are there any other recent trends or developments affecting the legal and fiscal environment for public benefit foundations in your country?

No.

4. Public fundraising

Useful contacts

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About the EFC Legal and Fiscal Country profiles

This profile is part of a series of profiles of the legal and fiscal environments for foundations in 42 different countries across the wider Europe, as well as some countries in other world regions. The aim of these profiles is to paint a picture of the current operating environment for foundations in these countries to better understand the legislative landscape foundations inhabit. The profiles are produced in collaboration with foundations, legal experts, and associations in each country. Each profile is written by the national-level expert. A comparative overview of the country profiles from wider Europe can be downloaded from the EFC website: “Comparative Highlights of Foundation Laws: The Operating Environment for Foundations in Europe.”

www.efc.be

About the European Foundation Centre

The European Foundation Centre, founded in 1989, is an international membership association representing public-benefit foundations and corporate funders active in philanthropy in Europe, and beyond. The EFC develops and pursues activities in line with its four key objectives: creating an enabling legal and fiscal environment; documenting the foundation landscape; building the capacity of foundation professionals; and promoting collaboration, both among foundations and between foundations and other actors. Emphasising transparency and best practice, all members sign up to and uphold the EFC Principles of Good Practice.