



EFC LEGAL AND FISCAL COUNTRY PROFILE

*The operating environment for
foundations*

BOSNIA AND HERZEGOVINA – 2014

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The operating environment for foundations

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I. Legal framework for foundations

Foundation that want to operate at the national level of Bosnia and Herzegovina¹ (hereinafter: BH) fall under the Law on Associations and Foundations of Bosnia and Herzegovina (Official Gazette no. 32/01, 42/03, 63/08 and 76/11) (hereinafter: the Law), adopted by the Parliamentary Assembly of Bosnia and Herzegovina on 30.11.2001. Foundations that operate in only one entity Federation of Bosnia and Herzegovina (hereinafter: FBH), Republica of Srpska (hereinafter: RS), or Brcko district (hereinafter: BD), or at the cantonal level are under the Law on Associations and Foundations of entities and Brcko District (entities and Brcko District legislation is not described in this profile, since legislation at the national level comprises most rules and regulations form entity/district laws).

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)?

Foundation is legal entity who has no membership with goal to govern its assets in public interest or charitable purposes. Foundation becomes legal person when it si registered under this Law.²

2. What purposes can foundations pursue?

Foundation can act in the public interest and/or charity.

The Foundation operates in the public interest if it is established primarily with the purpose of advocacy, providing services or promotion improvement programs in areas such as health, education, science, social protection, civil society, human rights and minority rights, help the poor and socially disadvantaged; help people with disability, children and the elderly, environmental protection, tolerance, culture, amateur sports, religious freedom and assistance to victims of natural disasters or for other similar purposes.

The Foundation works on charity if established primarily with the aim of helping individuals and groups in need³

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?

The Foundation may be established by one or more natural or legal persons (hereinafter. the founder/s), but the founders can not be the state of Bosnia and Herzegovina, entities, cantons, cities, municipalities, local communities, government bodies, state-owned enterprises and funds. The founders do not have to be citizens or legal entities of BH.

¹ Bosnia and Herzegovina is a compound state, which in line with the General Framework Agreement for Peace in BiH, consists of the two entities Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District. Federation of Bosnia and Herzegovina, as the entity, consists of ten cantons.

² Article 2 para 5 Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

³ Article 21 para 1, 2. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

The Foundation may be established by a unilateral declaration of will, contract, testament, legacies or other appropriate legal document which must contain the information necessary for the establishment and entry in the register of Foundations.

The Foundation must have the Founding Act, Statute, and the Governing board, or acts and bodies, that they are essentially equivalent. For the foreign or international Foundation, it is enough to have acts, regardless of how they were called, and bodies, which perform functions as defined by the law.⁴ (See section rights and duties of board members)

The application for registration has to be submitted by a person authorized to represent the Foundation or entity authorized to perform registration in the National Register, based within the Ministry of Justice of BiH (hereinafter: the Ministry).

Foundation established in accordance with the Law on Associations and Foundations of BH shall be registered in the Associations and Foundations Register at the Ministry.

Application for registration has to be accompanied by the following documents:

- Founding Act of the Foundation, in accordance with the provisions of Law article 23. , which was signed by the founder(s) of the Foundation ;
- Statute of the Foundation, in accordance with the provisions of Law article 24;
- Decision of the competent Foundation authority on the appointment of the persons authorized to represent the Foundation, certified copy of the identity card or passport and residence permit in Bosnia and Herzegovina, where a person authorized to represent is a foreign citizen and a certified signature of the person authorized to represent the Foundation by competent Foundation authority;
- decision on the appointment of members of the board of the Foundation, along with certified copies of ID cards of all members of the board of the Foundation, or a photocopy of passport and residence permit in BH, where is board member foreign citizen ;
- proof of payment of cash or other forms of asset, founder invests in the establishment of the Foundation (the value not less than 1000 EUR) ;
- certified copy of the identity card, when the founder of the Foundation is natural person from Bosnia and Herzegovina, or a certified copy of a passport , when the founder of the Foundation is foreign natural person or extract from the register, when the founder of the Foundation is legal entity;
- identification document, or extract from the Register of proving the identity of the founder, when the Foundation was established by the unilateral declaration of will, contract, testament, legacies or other relevant legal act ;
- footprint and a description of the Foundation logo, if it is stipulated in the Foundation Statute;
- decision on the appointment of other bodies of the Foundation, if Statute of the Foundation provides such bodies;
- Translation of the name of Foundation if Foundation has a name in a foreign language also, in accordance with the statute Foundation. The translation shall be certified by a court interpreter;;
- Proof of payment of administrative fees (100 Euro).⁵

⁴ Article 22 para 1, 2, 3. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

⁵ Article 8. Rulebook on the way of keeping the register of associations and foundations of Bosnia and Herzegovina and foreign and International associations and foundations and other non-profitable organizations ("Official Gazette of BiH ", No: 44/10).

The provisions of the Law on the registration of associations and Foundations shall also apply to registration of offices, branch offices or other organizational form of foreign or international Foundations, or other international organizations, unless otherwise provided by the Law.

Application for registration of branch office or other organizational form has to be accompanied by the following documents:

- Proof of registration of foreign Foundation in the Register of the country of domicile;
- the act of opening an office, branch or other organizational forms in Bosnia and Herzegovina;
- the name and address of the person authorized to represent Foundation in Bosnia and Herzegovina (certified copy of the identification document of the authorized representative);
- address of the headquarters and branch offices in Bosnia and Herzegovina.

If the law of the residence country of foreign Foundation doesn't require entry in the register of Foundations, instead of the decision on registration in the domicile country, another written document, certified by a competent authority, which provides that the organization is a legal person in domicile country, should be submitted to support application for registration

If the decision on registration in the country of residence does not contain information on the statutory objectives and activities of the Foundation, the statute or other internal document which establishes the goals of the Foundation should be submitted together with the application for registration.⁶

The documents submitted by foreign or international Foundations must be certified with apostille stamp and translated into one of the official languages of Bosnia and Herzegovina by a certified court interpreter.⁷

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, it is necessary approval from the Ministry without discretion for registration of Foundations in the Associations and Foundations Register at the Ministry of Justice Bosnia and Herzegovina. (See above)

The Foundation may be established by a unilateral declaration of will, contract, testament, legacies or other appropriate legal document.

All mentioned documents shall be made up in the form of a notarial deed

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

Yes. Register of Foundation and Please see above

⁶ Article 45. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

⁷ Article 16. Rulebook on the way of keeping the register of associations and foundations of Bosnia and Herzegovina and foreign and International associations and foundations and other non-profitable organizations ("Official Gazette of BiH ", No: 44/10).

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

The following informations are kept at the Register: FoundationFoundation

- full and abbreviated name of the Foundation;
- the address of the headquarters;
- the registration number and date of registration of the Foundation;
- the objectives and activities of the Foundation;
- the name of the person authorized to represent the Foundation entering into legal transactions;
- the suspension of operation of the Foundation;
- the termination of the Foundation;

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

The register is publicly available. Each natural or legal person may request to access to information by direct insight in to the file or mail to request a copy of any entry in the Register or any document from the file, in accordance with the provisions of the Law on freedom of access to informations in BH ("Official Gazette BiH ", No. 28/00, 45/06 and 102/09).

In special cases, authorized representative of the Foundation may request the Ministry to certain information contained in the register are not available to the public, if it could endanger the personal integrity of the founders of the Foundation. Ministry decides on this request by a special resolution.⁸

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

Yes, minimum founding capital is required by the Law. Founding capital can be in cash or other assets whose value is not less than 1000 EUR.⁹
The Foundation is not required to maintain the property or any other particular level of assets in the course of its existence.

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

It is mandatory for Foundations to have a governing board, and the statute can anticipate beside governing board other bodies (eg. Director, Executive Director).¹⁰
The bodies of registered Foundations are obliged to manage the assets of the Foundation with due diligence and in a responsible and lawful manner in the best interests of Foundation.¹¹

⁸ Article 28 para 3 and 5. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

⁹ Article 23 and 25 Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

¹⁰ Article 22 para 3 and Article 25 Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

¹¹ Article 48. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

a) Is it mandatory to have a supervisory board?

See above

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?

Founder appoints the first members of the governing board of the Foundation, subsequent modifications, the method of their election, competence, quorum, voting rules and the conditions and procedures for their resignation/removal shall be made in accordance with the statute of the Foundation.

In the Statute of the Foundation could be stipulated that governing board members elected and dismissed by the founder.

Governing board of Foundation must have at least three members.

A board member of the Foundation may be a citizen of Bosnia and Herzegovina, as well as a foreigner in accordance with the Law on movement and stay of aliens and asylum.

Board member can not be: the founder of the Foundation, a persons who are not of age, an employee of the Foundation, and a member of the other bodies of the Foundation.¹²

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

Governing board of Foundation is responsible for achieving the goals and activities of the Foundation and may perform other duties defined by the statute and in accordance with the Law.

Governing board of Foundation is responsible for:

- decision, statute, amendments to statutes and other regulations established by statute;
- Property Management Foundation;
- appointment of a person authorized to represent the Foundation;
- decide on the merge, division and dissolution of Foundation, as well as other statutory changes of the Foundation;
- preparing financial statements and other reports, and

¹² Article 26.para 2, 3 and 4. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

- decide on all other matters which are not within the competence of other bodies of the Foundation.¹³

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?

Founder/s has the right to elect and dismissed Govering board members, if is that right stipulated in Statute of Foundation.

Fundamental decisions, such as change of purpose can be made only by Governing board. (See above). Founder has no rights to influence over decision-making.

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

No legal rights of beneficiaries set out in the law.

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 Law has no exactly specified rules on conflict of interest.

According to legislation in BH conflict of interest can be defined as a situation where the objectivity of a person is or may be affected due to the conflict between his private and professional, public interest.

Board member can not be: the founder of the Foundation, employee of the Foundation, and a member of the other bodies of the Foundation.¹⁴

It is not allowed directly or indirectly acquire or receive other tangible benefits gained from the activities of the Foundation for founders, members of the governing bodies, responsible persons, employees or donors.¹⁵

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

Staff cannot be a member of the Governing board. They may participate in board meetings, but have no voting rights.

¹³ Article 26,para 1 and 5. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

¹⁴ Article 26,para 4. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

¹⁵ Article 4,para 4. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

Decisions that staff can make is within their powers specified in the 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?

This is specified in the Foundation Act and in the statute of the foundation not in the Law.

Do the director and officers have powers of representation?

Yes, if that is stipulated in the Foundation Act or Statute of the Foundation.

9. Liability of the foundation and its organs

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

Governing bodies of the Foundation are obligated to manage with assets of Foundation with due diligence, on respectable and legal way and in the best interest of Foundation.¹⁶

There is no difference between voluntary (unpaid) and paid board members set out in the Law. However, good practice and recommendation of the civil society sector prescribe that governing board members are volunteers.

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?

There is no business judgment rule concerning Foundations set out in the Law.

As mentioned in previous answer, Governing bodies of the Foundations are obligated to manage with assets of Foundation with due diligence, on respectable and legal way and in the best interest of Foundation. (See above)

c) What is the liability of executive staff?

The Foundation is liable for any damage caused by actions of its bodies or staff towards third parties. The Foundation can then take recourse from board members or staff. The liability of the bodies or staff towards the Foundation can be restricted to damages caused by intention or severe negligence.

d) Can the founder modify the standard of diligence for board members in the

¹⁶ Article 48. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

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).					
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 activities¹⁷ allowed (related/unrelated)? If so, is there a ceiling/limit on economic activities (related/unrelated)?

The Foundation may carry on economic activities only if the primary purposes of these activities achieve the objectives identified in the statute (related economic activities).

Foundation can perform unrelated economic activity (economic activities that are not directly related to achievement of of basic statutory objectives of Foundation) only through specially established legal entity.¹⁸

There is no ceiling/limit on economic activities (related/unrelated) set out in the Law

11. Are foundations permitted to be major shareholders?

Yes

¹⁷ 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.

¹⁸ Article 4.para 1.and 2. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

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?

Governing bodies of the Foundations are obligated to manage with assets of Foundation with due diligence, on respectable and legal way and in the best interest of Foundation.¹⁹

Foundation will be dissolved if the upon misdemeanor punishment in restitution continues to perform activities that are not in accordance with the statutory objectives of the Foundation.²⁰

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).

Yes.

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

The procedures for amending the statute have to be specified in the statute of the Foundation.

Foundation governing board has the authority to issue exclusively, statutes, amendments to statutes and other regulations established by statute.²¹

The Foundation is required to submit an application to the Ministry of any change that fact shall be entered in the register within 30 days after the change has occurred.²²

Under these changes are imply: the name and short name Foundation; adres of Foundation headquarter; Foundation logo, objectives and activities for which the Foundation was established, the names and addresses of persons authorized to represent the Foundation as well as members of the supervisory board of the Foundation

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

Foundation is required to keep records and submit financial reports in accordance with the regulations governing non-profit accounting. Foundation annual financial statements submitted to the supervisory board in a manner determined by the statute.

In accordance with applicable regulations, foundations are required to produce annual financial statements. The financial statements based on International Accounting Standards, International

¹⁹ Article 48. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11).

²⁰ Article 51b para 1. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11).

²¹ Article 26 para 5. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11).

²² Article 43. para 1. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11).

Financial Reporting Standards, the Law on Accounting and Auditing and the Code of the entity's accounting principles

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

- annual financial report
The financial statements of the Foundation shall contain the following: balance sheet, income statement, statement of cash flows, statement of changes in equity and notes to the financial statements
- annual activity report
N/A
- public benefit/activity report,
N/A
- tax report/tax return,
Foundations submit monthly at the regional tax office the report of social and health contributions for employees, a statement of the income tax withheld for employees.
- other reports e.g. on 1% schemes)
N/A

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)?

Annual financial statements, on the prescribed application forms must be submitted to the competent tax authorities and the supervisory board of the Foundation.

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

Governing board checks and approves the annual financial statement and the competent tax authority checks annual financial reports submitted on the prescribed forms.

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)?

Reports and accounts of Foundations have to be publicly available, the Foundations will decide whether and to what extent to disclose information about their work. In general, a principle is that the work of foundations is public.

Usually Foundations on their websites publishing their reports and other information about their activities in order to their work make as transparent as possible.

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

Foundations registered as legal entities in Bosnia and Herzegovina are obliged to apply the rules on Accounting of Entities (RS and FBiH) and the Brcko District, depending on its headquarter in BiH. The laws on accounting and audit entities or BD prescribe the application of International Accounting Standards ("IAS") for all legal entities, including Foundations.

Exceptionally, when certain conditions are met Foundations are obliged external audit engagement of the external auditor certified.

Depending on where (the entity or Brcko District) is the headquarters of the Foundation, conditions under which the Foundations are obligated to external audit are as follows:

Entities (RS and FBH)

- Number of employees from 50 to 250;
- Average value of business assets from 1 to 4 million KM (500 000,00 Eur to 2 mil Eur);
- Total annual income of 2-8 million KM (1 to 4 mil Eur).²³

Brcko district

- number of employees more than 50,
- Average value of business assets more than 1.4 mil KM (700 000,00 Eur) ;
- total annual income of more than 2.8 million KM (1.4 mil Eur).²⁴

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

If the Foundation wants to or is a obliged to an external audit of financial statements is required to hire a certified audit agency or external auditor in accordance with the Law on Accounting and Auditing of one of the entities or Brcko District, depending where is head office of the Foundation.

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

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 Ministry is competent for keeping the registry of the Foundations and supervision of the implementation of the Law on Associations and Foundations of Bosnia and Herzegovina.

Competent administrative authority in whose field belongs Foundation activity oversees the legality their operation.

²³ Law on Accounting and Auditing of the FBiH ("Official Gazette of FBiH", no. 83/09)

Law on Accounting and Auditing of the Republic of Srpska ("RS Official Gazette", no. 36/09 and 52/11)

²⁴ Law on Accounting and Auditing of the Brcko District of Bosnia and Herzegovina ("Official Gazette of BD BiH", no. 6/06 and 19/07);

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

Depending on which administrative body exercises supervision, control may include a review of reports, business records and all other documents requested by the competent authority for inspection.

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

No, but Foundation is required to submit an application to the Ministry of any change that fact shall be entered in the register within 30 days after the change has occurred (statute amendments etc.).

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?

Measures that may be imposed on the Foundation are dissolution and punitive measures (financial penalties).

Foundation will be dissolved in the case that:

- The goals and activities of the Foundation are contrary to the constitutional order of Bosnia and Herzegovina, or are directed to his violent demolition and inciting national, racial and religious hatred or discrimination prohibited by law.
- The goals and activities of the Foundation include engagement in the election campaign, raising funds for candidates or finance candidates or political parties.
- Foundation after misdemeanor punishment in restitution, continue to carry out activities that are not in accordance with the statutory goals of the Foundation;
- Foundation after misdemeanor punishment in restitution, continue to act contrary to the provisions of this Act;

Misdemeanor measures are applied to the Foundation and / or the responsible person in the case that:

- carries out activities that are not in accordance with the objectives and activities of the Foundation,
- in the legal transactions does not use the name under which is registered,
- does not report changes in data to be entered in the register within 30 days of the occurrence of these changes,

- Do not use excess of revenues over expenses generated by performing an economic activity in the manner provided by law and statute.²⁵

17. When and how does a foundation dissolve?

The Foundation may be dissolved voluntarily or by force of law.

Foundation will be dissolved if:

- Supervisory board of the Foundation decide on the termination, or a made decision on the merger, separation or transformation of the Foundation;
- If it is found that the Foundation ceased to operate.
- The goals and activities of the Foundation are contrary to the constitutional order of Bosnia and Herzegovina, or are directed to his violent demolition and inciting national, racial and religious hatred or discrimination prohibited by law.
- The goals and activities of the Foundation include engagement in the election campaign, raising funds for candidates or finance candidates or political parties.
- Foundation after misdemeanor punishment in restitution, continue to carry out activities that are not in accordance with the statutory goals of the Foundation;
- Foundation after misdemeanor punishment in restitution, continue to act contrary to the provisions of this Act;

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

In Bosnia and Herzegovina, a Foundation may be established by a domestic or foreign natural person or legal entity. Foreign or international association and Foundation, or other international organizations may establish an office, branch office or other organizational form in Bosnia and Herzegovina.

According to that foreign Foundation has same treatment as resident Fondation.

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?

There are no limitations in civil law.

II. Tax treatment of the foundation

The system of direct taxation in Bosnia & Herzegovina is under the jurisdiction of entities (RS and FBH) and the Brcko District, while the system of indirect taxes is under the jurisdiction of the indirect taxation at the national level.

At Foundations in BH are applied tax laws that apply to all business entities with some tax exemptions for Foundations.

Foundations are required to have ID number (tax registration certificate) to be able to report the income tax and contributions for their employees.

²⁵ Article 51b. and 53. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 7611).

Also, tax registration certificate is used to report income tax when the Foundation is obliged of reporting and payment of such taxes, as well as submitting financial statements and other reports to the competent authorities.

The application shall be submitted to the competent tax authority, depending on the headquarters of the Foundation, accompanied by the Decision of the Ministry of the registration of the foundation

Foundations are exempt from income corporate tax on the basis of:

FBH - income from the state budget or public funds, sponsorships or donations of money, goods, interest, dividends, income from the sale or transfer of goods that are used or have been used for performing activities²⁶

RS - income from the state budget or public funds, sponsorships or donations in cash, goods, interest, dividends and other investment income to include income from property, income from the sale or transfer of goods that are used or have been used for performing activities.²⁷

BD - income from the state budget or public funds, sponsorships or donations in cash, goods, interest, dividends²⁸

Foundations in BH are not exempt from VAT, they are treated as end users so they have to pay VAT.

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 some tax exemptions (see above) is establishing Foundation in accordance with the Law and to perform activities stipulated by statute of Foundation.

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?)

If it is necessary Foundation proves their status with decision on registration in Foundation register issued by the Ministry.

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

Yes

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

Yes

²⁶ Article 3. Corporate income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 97/07, 14/08 and 39/09).

²⁷ Article 4. Corporate income tax Law of Republic of Srpska "Official Gazette of Republic of Srpska" no. 91/06)

²⁸ Article 4. Corporate income tax Law of Brcko District ("Official Gazette of BD BiH" no. 60/10,57/11 and 33/12)

5. Are there specific accounting rules for foundations?

At Foundation in BH are applied accounting rules that apply to all business entities without any special rules for Foundations.

Accounting rules are determined by the laws of entities and District Brcko, the Foundation applies accounting rules according to the relevant laws. That depends on place of Foundation headquarters (RS, FBH or Brcko District).

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.

According to the Law on the Association and Fondation of BH:

- Public benefit purpose is advocacy and provision of services or promotions improvement programs in areas such as health, education, science, social protection, civil society, human rights and minority rights, help the poor and socially disadvantaged, help of the people with disability, children and the elderly, environmental protection, tolerance, culture, amateur sports, religious freedom and assistance to victims of natural disasters or for other similar purposes.
- Charitable purpose is to help individuals and groups that help is needed.²⁹

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.

According to the relevant Laws of the Income Tax of the entities (RS, FBH and Brcko District generally public benefit purpose is considered as:

- FBH - cultural, educational, scientific, healthcare, humanitarian, sports and religious purposes (*numerus clausus*).³⁰
- RS - humanitarian, cultural, educational or sporting purposes (*numerus clausus*).³¹
- BD - cultural, educational, scientific, healthcare, humanitarian, sports and religious purposes (*numerus clausus*).³²

According to the relevant Laws of the Corporate Income Tax of the entities (RS, FBH and Brcko District generally public benefit purpose is considered as:

- FBH - humanitarian, cultural, educational, scientific and sporting purposes (except for professional sports) (*numerus clausus*).³³
- RS - humanitarian, cultural and educational purposes (*numerus clausus*).³⁴

²⁹ Article 21. para 1 and 2. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 7611).

³⁰ Article 15. Personal income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 10/08, 9/10,44/11,7/13 and 65/13).

³¹ Article 15. Personal income tax Law of Republic of Srpska "Official Gazette of Republic of Srpska" no. 91/06,128/06, 120/08, 71/10, 01/11, and 107/13).

³² Article 15. Personal income tax Law of of Brcko District ("Official Gazette of BD BiH" no. 60/10).

- BD - humanitarian, cultural, educational, scientific and sporting purposes (*numerus clausus*).³⁵

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

Following purposes would be accepted for tax privileges only if they carried out by Foundation registered in accordance with the Law, and if they are in accordance with the objectives set out in the statute of the foundation.

Public benefit purpose	Accepted in tax law (for tax privileges)			
	Yes	Probably yes	Probably no	No
(1) Science and research		X		
(2) Religion		X		
(3) Furtherance of health (in particular the prevention of and the fight against contagious illnesses) and public health care.		X		
(4) Support of youths and older people		X		
(5) Arts and culture		X		
(6) Preservation of historical sites and monuments		X		
(7) Education		X		
(8) Environmental protection		X		
(9) Public welfare including support to bodyisations providing e.g. social services, social care etc.		X		
(10) Support to victims (of crime, war, persecution because of political, racial or religious reasons, and discrimination), refugees and disabled people		X		
(11) Emergency rescue		X		
(12) Public safety and accident prevention (including fire and work safety and disaster response)		X		
(13) International understanding and tolerance		X		
(14) Animal protection			X	
(15) Development aid and development co-operation		X		
(16) Consumer protection		X		
(17) Offender rehabilitation		X		
(18) Gender equality		X		
(19) Protection of marriage and family		X		
(20) Crime prevention				
(21) Amateur sports (including chess)		X		
(22) Local history and local geography		X		

³⁵Article 8. Corporate income tax Law of of Brcko District ("Official Gazette of BD BiH" no. 60/10,57/11 and 33/12)

(23) Traditional customs (including Carnival)		X		
(24) The national democratic political system			x	
(25) Civic commitment for public benefit purposes and public benefit organisations.		X		
(26) Protection of and support for disadvantaged individuals (in particular support of people in need because of their physical, intellectual or mental condition).		X		
(27) Relief of poverty		X		
(28) Protection/promotion of Human Rights		X		
Other – please add other purposes listed in your country's legislation				

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?

Yes

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	X				
For benefit of the inhabitants of a village with 10,000 inhabitants	X				
For benefit of the employees of a company					X
For benefit of the members of a family					X
For benefit of the students of a university	X				
Award for the best student of a university	X				

10. Non-Distribution Constraint

a) Does a tax-exempt Foundation generally have to follow a “non-distribution constraint”³⁶ which forbids any financial support of the Foundation board, staff, etc.?

There is no connection between tax-exempt status and a “non-distribution constraint”.

The Law on the Association and Fondation of BH defines reimbursement of board members costs and support of governing board members. There is no constraint as to the staff (stated in the Law).

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

After the dissolution and termination of operations and settlement of Foundation liabilities, the remaining property and assets will be distributed in the manner determined by the statute, to the other registered Foundation that has the same or similar goals and activities.³⁷

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?

In accordance with the Law allowed is remuneration or reimbursement of expenses of board members in relation to the exercise of legitimate objectives and activities established by the statute of the Foundation.³⁸

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

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

³⁶ 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.

³⁷ Article 52 para 1. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

³⁸ Article 4 para 5. Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11)

- 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.					X

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.					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

13. Distributions and Timely Disbursement

a) Are Foundations allowed to spend down their capital?

Yes

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?

Foundation may exist for a limited period (there is no minimum length of time stated in the Law).

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)?

Neither civil nor tax law have such a requirement.

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”?

Neither civil nor tax law have such a requirement.

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		X			

distributions for the public benefit purpose of the Foundation.					
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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?

No

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.

Neither civil nor tax law have rules which regulate cross-border grants.

16. Income tax treatment

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

Grants and donations

Foundations in BiH do not have to pay any income tax on grants and donations.

Investment income (asset administration)

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

Investment income is tax-exempt, except income from leasing of property that belongs to the Foundation. Income from leasing is not tax-exempt.

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)

If Foundation conducting registered economic activity (related) is exempt from tax, if the Foundation is performing unrelated activity is required to pay tax on profit realized the performance of that activity.

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

N/A

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

Foundations are exempt from corporate income tax on profits realized on the basis of income from interest and dividends.³⁹

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

No

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

Exceptionally, the Foundation may be exempt from VAT on some of their purchases only:

- the importation of goods for certain limited purposes, which are expressly provided for by the Law on Customs Policy (in these cases, in addition to tariff exemptions, may use the exemption from payment of VAT);
- projects that are exempt from VAT (and other taxes) in accordance with an international agreement signed by BiH;
- international projects providing assistance to Bosnia and Herzegovina, according to which BiH has assumed an obligation to ensure that such projects are not subject to VAT.

³⁹ Article 3. Corporate income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 97/07, 14/08 and 39/09).

³⁹ Article 4. Corporate income tax Law of Republic of Srpska "Official Gazette of Republic of Srpska" no. 91/06).

³⁹Article 4. Corporate income tax Law of of Brcko District ("Official Gazette of BD BiH" no. 60/10,57/11 and 33/12)

Upon aforementioned basis Foundation can reclaim VAT.⁴⁰

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

N/A

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

Foundations are exempt from tax on the transfer of assets excluding assets that are used or have been used for carrying out activities.

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

No

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?

Foreign Foundations in BH have same tax treatment as resident Foundations.

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?

Yes, BH apply withholding tax to the income from local investments held by non-residents.

They cannot reclaim all or part of the withholding tax. Accordingly, it is applicable on foreign-based foundations.

III. Tax treatment of donors of public benefit foundations

Only limited tax benefits are given to individual and corporate donors making gifts to Foundations.

1. System of tax credit⁴¹ or tax deduction⁴²?

⁴⁰ The European Commission and Bosnia and Herzegovina signed Framework Agreement on the Rules for Co-operation concerning EC-Financial Assistance to Bosnia and Herzegovina in the Framework of the Implementation of the Assistance under the Instrument for Pre-Accession Assistance (IPA). The process is regulated by Instruction issued in BiH Official Gazzete number 74/2011.

⁴¹ 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)

⁴² 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)

Tax deduction

2. Tax treatment of individual donors

According to the laws of the Entities (RS, FBH) and Brcko District tax deduction are provided for for the individual donors who earn income from self-employment.

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?

According to the law of entities (RS, FBH) and the Brcko District on income tax of natural persons are provided the following benefits:

FBH - donations (in cash and assets) in the amount up to 0.5% of revenue in the previous year paid into the bank account of the cultural, educational, scientific, medical, humanitarian, sports and religious purposes are recognized as tax expense.⁴³

RS – donations (in cash, assets or services) in the amount up 2% of the income of natural persons-tax payers in the humanitarian, cultural, educational or sports purposes, are recognized as a tax expense.⁴⁴

BD - donations in the amount up to 0.5% of revenue in the tax period, given in goods, assets or money paid into the bank account, in the cultural, educational, scientific, medical, humanitarian, sports and religious purposes, associations and other persons who perform activities in accordance with special regulations.⁴⁵

b) Which assets qualify for tax deductibility?

(See above)

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?

Accordance to the law of entities (FBiH and RS) and Brcko District on Corporate income tax provided the following tax incentives:

⁴³ Article 15. Personal income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 10/08, 9/10,44/11,7/13 and 65/13).

⁴⁴ Article 15. Personal income tax Law of Republica of Srpska "Official Gazette of Republic of Srpska" no. 91/06,128/06, 120/08, 71/10, 01/11, and 107/13).

⁴⁵ Article 15. Personal income tax Law of of Brcko District ("Official Gazette of BD BiH" no. 60/10).

FBH - Donations (in cash and assets) for humanitarian, cultural, educational, scientific and sports purposes (except for professional sports) are recognized as an expense in the amount of up to 3% of total revenue during the tax period.⁴⁶

RS - Donations (in cash, goods and services) public institutions, humanitarian, cultural and educational organizations, is recognized as an expense in the amount of up to 3% of total income in the tax year.⁴⁷

BD - donations to public institutions and donations for charitable, cultural, educational, scientific and sports purposes in the amount of up to 3% of total income in that tax year.⁴⁸

b) Which assets qualify for tax deductibility?

(See above)

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

Donations given to non-resident Foundations that carry out activities in BiH in accordance with the Law have the same treatment as donations given to resident Foundations. Donors have the same tax treatment.

5. Other frameworks such as percentage law systems

None

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?)?

In accordance with the relevant laws all legal entities are required to keep business and financial documentation (invoices, contracts, etc.) as evidence. Overview of business and financial documents are performed by competent inspection authority.

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

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

⁴⁶ Article 3. Corporate income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 97/07, 14/08 and 39/09).

⁴⁷ Article 4. Corporate income tax Law of Republic of Srpska "Official Gazette of Republic of Srpska" no. 91/06).

⁴⁸ Article 4. Corporate income tax Law of Brcko District ("Official Gazette of BD BiH" no. 60/10,57/11 and 33/12).

financial report (translation required?)? Documents providing evidence for certain tax law requirements e.g. that income was actually spent for public benefit purposes?)?

Same as above.

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

1. Individuals

Individual beneficiaries of Foundations are exempt from tax on grants received from Foundations.

2. Legal entities

Only not-for-profit organisations are exempt from tax on grants received from Foundations.

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

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)?

Generally Foundations are exempt from tax on gifts.

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?

Although Law on Foundations and NGOs nebtuibs that PBOs have right on tax deduction, Law on Corporate income Tax does not prescribe tax rates nor makes the difference between PBOs and other non-profits.

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

Please see the question on tax treatment of individual donors and tax treatment of corporate donors.

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?

Non-resident Foundations that carry out activities in BiH in accordance with the Law have the same treatment as resident 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?

No

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)?

Yes, the Parliamentary Assembly of Bosnia and Herzegovina on 15 June 2009th, adopted the Law on the prevention of money laundering and financing of terrorist activities.⁴⁹

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

Are there any specific laws that regulate fundraising and do they affect foundations?

No

Useful contacts

Please add names and contact details of persons who may be contacted for queries regarding the information in this profile or for further details of the legal and fiscal environment for Foundations in your country.

Nenad Ličanin

⁴⁹ The Law on prevention of money laundering and financing of terrorist activities ("Official Gazette of Bosnia and Herzegovina". 53/09)

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Selected bibliography

Please list here any books/articles which provide further information on the any of the topics discussed in the profile. Links to online articles/resources are also appreciated

Selected law texts online:

- Law on the Association and Fondation of Bosnia and Herzegovina (Official Gazette No. 32/01, 42/03, 63/08 and 76/11);
<http://www.mpr.gov.ba/biblioteka/zakoni/default.aspx?id=1894&langTag=en-US>
- Rulebook on the way of keeping the register of associations and Foundations of Bosnia and Herzegovina and foreign and International associations and Foundations and other non-profitable organizations ("Official Gazette of BiH ", No: 44/10);
http://www.mpr.gov.ba/biblioteka/podzakonski_akti/BJ%20Pravilnik%20o%20Registru%2044_10.pdf
- Law on Accounting and Auditing of the FBiH ("Official Gazette of FBiH", no. 83/09);
<http://www.fmf.gov.ba/zakoni/2010/bosanski/pravilnici/Zakon%20o%20racunovodstvu%20i%20reviziji%20u%20Federaciji%20BiH.pdf>
- Law on Accounting and Auditing of the Republic of Srpska ("RS Official Gazette", no. 36/09 and 52/11); <http://komisija-rrbih.org/sites/default/files/dokumenti/zakon%20o%20racunovodstvu%20i%20reviziji%20republike%20srpske.pdf>
- Law on Accounting and Auditing of the Brcko District of Bosnia and Herzegovina ("Official Gazette of BD BiH", no. 6/06 and 19/07); <http://komisija-rrbih.org/sites/default/files/dokumenti/zakon%20o%20raunovodstvu%20i%20revizij%20bd.pdf>
- Personal income tax Law of Federation of Bosnia and Herzegovina (Official Gazette of FBiH No. 10/08, 9/10, 44/11, 7/13 and 65/13); <http://www.pufbih.ba/en/regulations/laws/personal-income-tax-act>
- Personal income tax Law of Republica of Srpska "Official Gazette of Republic of Srpska" no. 91/06,128/06, 120/08, 71/10, 01/11, and 107/13);
http://www.poreskaupravors.org/Documents/pdf/RSGovernment_PIT_English_consolidated%20text_2013.pdf
- Personal income tax Law of of Brcko District ("Official Gazette of BD BiH"" no. 60/10);
<http://www.skupstinabd.ba/zakoni/166/Zakon%20o%20porezu%20na%20dohodak-B.pdf>

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.