

**New philanthropy Country Profiles shine a bright light on an important area.**

This week saw the launch of the [5<sup>th</sup> Edition of the Legal and Fiscal Country Profiles](#), under the joint auspices of EFC and DAFNE, acting through Philanthropy Advocacy. This edition celebrates two decades of research and mapping in the field of European philanthropic practice. EFC published its first edition of 15 Country Profiles in 2002 (in a pre-*Stauffer* world in which EU Member States were essentially landlocked environments when it came to tax-effective cross-border philanthropy). The second edition (covering 27 Member States) followed in 2007 and was accompanied by a Comparative Highlights volume for the first time. By 2011, EFC had taken the show online. The third edition provided 30 country profiles (27 EU Member States and Switzerland, Turkey and the Ukraine) while 2015 welcomed the fourth edition (with comparative highlights of 40 countries, including all 28 MS). We have reached a milestone of 20 years of mapping, sharing technical knowledge, and answering the difficult questions on the openness (or not) of a Member State to philanthropic endeavours. One country expert has been involved in all five editions to date: Ludwig Forest from Belgium! A special word of appreciation to Ludwig for his long service in enabling the legal environment for philanthropy through better mapping of it.

Since the first edition in 2002, we've seen the EU grow from 15 to 28 members and this year shrink to 27. We've witnessed the incremental development of European Court of Justice jurisprudence on free movement of philanthropic capital with *Stauffer* (in 2009) and the development of the principle of non-discrimination on the grounds of nationality in the sphere of tax law and philanthropic donations with cases from *Hein Persche*, *Missionwerk* and so many others. We've also seen the ill-fated efforts to develop pan-European vehicles to facilitate cross-border philanthropy with unsuccessful proposals for European Association, European Mutual Society and most recently the European Foundation Statute.

Throughout this time, the Country Profiles have assembled an impressive body of data. In their overviews of the legal and fiscal operating environments for foundations in Europe, the profiles shine a light on the purposes that foundations are allowed to pursue, the requirements for their establishment and governance, as well as transparency and accountability requirements. National tax treatments of foundation income, tax incentives for individual and corporate donors, and the tax facilitation of cross-border donations are also discussed. In short, the Country Profiles provide valuable insights on the current development and trends throughout Europe and serve as "the alert system on a national level," enabling timely reactions to threat or negative developments in a given country.

It is worth reflecting on the important contribution that empirical research of this nature makes. Mapping projects, which are consistent in execution and rigorous in analysis provide a benchmark against which to measure the status and health of our laws around philanthropy. They also enable us to understand and compare what is happening elsewhere with our own domestic situations. They provide both macro and micro analysis. The inherent value in such mapping exercises is demonstrated when foundations use the comparative data at a national level to highlight domestic anomalies. It helped the Finnish and Swedish foundation sectors to argue that tax incentives for giving are the norm in other European countries and should be introduced there too. Bulgarian foundations also used the profiles to help preserve tax incentives for philanthropic giving in that country.

Twenty seven EU profiles are now available with a further thirteen profiles to follow in the New Year, along with a new edition of Comparative Highlights. The value of these profiles, along with the contribution made by the National Experts in their preparation, should not be underestimated. It is only through the development of technical empirical information of this nature – the micro-level analysis – that we can ever aspire to a macro analysis of European developments and trends. The availability of such data is an important building block in our knowledge base. It informs and enables reports such as [Enlarging the Space for European Philanthropy \(2018\)](#) to be carried out, which in turn provides a solid footing upon which to base the [European Philanthropy Manifesto](#).

Challenges persist. The need for greater clarity and publicly available information on the comparability processes used by Member State tax authorities in the context of cross-border philanthropy is constantly sought. Other obstacles range from restrictive foreign funding legislation, changes in tax laws, additional administrative burdens (substantially increasing the cost of making a grant and the time required to process it) as well as difficulties in cross-border financial flows caused by ongoing incidences of bank de-risking, even within the EU.

The fact remains, however, that we cannot change what we cannot see. The launch of the Country Profiles shines a bright light on an important area. Let's all now make the best use possible of this rich resource to further enable the space for philanthropy.

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