

Legal and Regulatory
LANDSCAPE ON
PHILANTHROPY IN ALBANIA

A roadmap for safeguarding NPOs' fundraising activities from money laundering and terrorist financing



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01

Executive
SUMMARY

EXECUTIVE SUMMARY

The "Legal and Regulatory Landscape on Philanthropy in Albania - A roadmap for safeguarding NPOs' fundraising activities from money laundering and terrorist financing" report offers an analysis of the legal and institutional framework concerning fund-raising methods associated with philanthropic activities, which contribute to the operations and sustainability of non-profit organisations (NPOs) in Albania.

Through a detailed analysis, the report provides an understanding of how laws and by-laws concerning philanthropic activities affect the fundraising and administration of financial resources for non-profit organisations (NPOs) in Albania. Specifically, the report focuses on revenue-generation techniques from philanthropic activity within this sector.

The research for this report was conducted throughout the year 2023. The legal and institutional assessment relies on the current applicable legislation up to the date of the publication of this report. The legislation mentioned includes laws ratified by the Parliament of Albania and the main subordinate legislation associated with it, such as Decisions of the Council of Ministers, ministerial directives, regulations issued by other responsible authorities, etc.

This report includes relevant findings and recommendations, following the structure of the "Mapping Fundraising for CSOs: A Monitoring Guide to the Regulatory for Philanthropic prepared by the European Center for Non-Profit Organisations' Law (ECNL)[1].

The report is based on the Global Principles for Fundraising[2], which addresses 7 (seven) key areas:

1. Fundamental guarantees;
2. Fundraising methods;
3. Data protection and right to privacy;
4. Cross-border fundraising;
5. Taxation;
6. Transparency, accountability and oversight;
7. Registration, licensing and permission:

[1] <https://ecnl.org/publications/mapping-fundraising-csos>

[2] The Global Fundraising Principles document was prepared by ECNL and translated into Albanian by Partners Albania for Change and Development, accessed online <https://ecnl.org/sites/default/files/2020-08/Fundraising-Principles-Briefer.pdf>

Key
FINDINGS


KEY FINDINGS

Philanthropy involves a voluntary, strategic commitment (financial, organisational, human resources) to encourage a more equitable and peaceful society without expecting personal gain. It is practised by individuals and entities from the private sector, utilising both financial and non-financial resources for the public good. Philanthropy supports programs in various field areas, including education, health, science, environment, culture, and international development. It is developed in cooperation with civil society organisations, complementing government and private sector initiatives. A distinctive feature of philanthropy is its capacity to promptly address pressing challenges facing our societies, while simultaneously maintaining a long-term perspective.

The information presented in this report, organised in the relevant form, aims to explain the current situation, up to the date of the report, regarding the extent and coverage that Albanian legislation covers towards philanthropic activities through the legal provisions. Some of the main findings presented in the report are as follows:

- In Albania, there isn't a dedicated legal framework specifically outlining provisions for philanthropic activities. However, it should be noted that in other legal and by-laws, we have provisions and legal regulations regarding aid for charitable and humanitarian activities.
- The Civil Code and the Law on Non-Profit Organisations (NPOs) provide definitions of the term "donation" directed towards the benefit of both NPOs and individuals in need.
- The agreements between the five religious communities and the Albanian government, along with the Law on the Albanian Red Cross, include limited provisions concerning philanthropy, and fundraising methods, as well as taxation and other relevant obligations to the state, such as customs, etc., from which these communities are excluded for their engagement in philanthropic activities.
- It has been identified that there are no specific legal regulations and provisions that support the organisation of large-scale public fundraising activities. This is defined in the provisions of the Law on the Albanian Red Cross and agreements with religious communities, but these provisions remain applicable only to the latter.
- Furthermore, it has been noted that there are no explicit regulatory provisions outlined for licenses, permits, etc., concerning fundraising activities.
- The Law on Audio-visual Media stipulates that television airtime must be allocated to viewers when the broadcasted information serves humanitarian purposes, disaster cases, etc.



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- The legislation stipulates that NPOs must uphold the confidentiality of donations from the public, but not from the state. This originates from the mandatory oversight that the state exercises over NPOs and donors to prevent donations from being involved in activities related to money laundering and terrorist financing. In instances where such actions are suspected, tax authorities, vested with the legal obligation to monitor NPOs concerning money laundering and terrorist financing, refer the matter to the Financial Intelligence Agency (FIA) for a thorough investigation if the donor is implicated in any illegal activity.
 - Despite the absence of specific definitions for terms such as "donation" and "philanthropy" in tax legislation, there are legal provisions that refer to these concepts. In particular, the Law on VAT and the Law on the Income Tax stipulate exemptions from the respective taxes for donations designated for charitable and humanitarian purposes. Based on the Law on NPOs and the Law on Income Tax, donations to NPOs for non-profit, non-economic activity are not subject to taxation.
 - Meanwhile, NPOs that sell goods financed by donations are liable to taxation, unless the sold of goods are explicitly exempted from taxation and the profits from their sale are directed towards supporting the NPO's non-economic activities.
 - Other legislations, like the Law on Sponsorships, customs regulations, and gambling laws, include legal provisions concerning the taxation or imposition of customs duties by the state on commercial enterprises acting as donors of goods considered as donations. These provisions extend to goods entering Albanian territory for humanitarian purposes and cover charitable lotteries and fundraising activities as well.
 - Albanian legislation lacks explicit provisions concerning e-money donations; however, e-money donations are subject to taxation like any other donation. Similarly, has been also observed a deficiency in specific legal provisions related to SIM cards, which NPOS may utilised. Furthermore, the relevant legislation does not explicitly stipulate whether individuals utilising SIM cards for charitable purposes are exempt from taxes.

The table provided in this report seeks to capture the relevant applicable legislation in Albania concerning philanthropy, focusing on essential matters such as fundamental guarantees, authorized fundraising methods, donor data protection and confidentiality, the prevailing tax system, transparency, accountability, oversight, and other regulatory aspects. The data presented in the table offer an opportunity to become acquainted with additional insights regarding the applicable legislation concerning philanthropy. Even to the following recommendations presented, important findings have been documented which serve as fundamental for the respective recommendations.



Recommendations

RECOMMENDATIONS

- It is recommended that legislation concerning philanthropy be improved and developed (improvement could involve legal amendments and/or the adoption of new legal provisions or specific acts). In Albania, philanthropy defined as an activity aimed at improving the lives of certain groups within the population or supporting humanitarian, charitable and other goals, lacks dedicated legal regulation. Relevant legal provisions are found across various laws, rather than consolidated within a single specialised law. The government should undertake appropriate legislative initiatives to enact specific laws, with the object and purpose of explicitly regulating philanthropy or implementing comprehensive legal arrangements that consolidate and integrate applicable legal provisions more effectively.
- The VAT Law includes legal provisions referencing 'philanthropic organisation', yet it does not offer a specific definition of what constitutes a philanthropic organisation. Additionally, no law or by-law provides for this definition. Given these circumstances, it is recommended to establish a comprehensive definition of both philanthropic organisations and philanthropic activities within the legal framework. It is recommended that the specific legislation on philanthropy shall stipulate principles and standards concerning transparency, accountability, supervision, and other aspects pertaining to donations and philanthropic contributions, similar to those found in the most advanced legislation in this domain. Additionally, it is recommended to establish explicit legal regulations, potentially through a separate law, for both 'cash' and 'crowdfunding' donations, given that current practices have evolved under the assumption that legislation does not explicitly prohibit them. Article 37 of the Law on NPOs stipulates that "Non-profit organisations have the right to perform activities for the collection of funds and to use them for meeting the purposes and object of their activity, or to support the purposes and activities of other non-profit organisations. The rules for the public collection of funds are determined by separate law".
- It is recommended to implement appropriate legal measures to enable individuals, commercial entities, etc., to donate through online platforms within the prescribed limits provided by the law on holding and legal responsibilities of 'cash' (when donations are made in 'cash' and not through banking or other means which equate to the banking route). Also, it would serve various organisations that have philanthropic objectives, to have the legal opportunity and information on how to create platforms that accept donations through "crowdfunding" in the right legal way.



- As previously stated, no specific regulations or legal provisions are facilitating the organisation of large-scale public fundraising activities. This is defined in the provisions of the Law on the Albanian Red Cross and agreements with religious communities, but these provisions remain applicable only to the latter. Therefore, a more specific regulation would support and control other fundraising activities that have charitable purposes. The provisions shall refer not only to the Albanian Red Cross and religious communities but also to NPOs, and other organisations, as well as activities organized by bodies/individuals who want to use the collected profits to support non-profit objectives.
- It is recommended to provide explicit legal provisions regarding the preservation of the confidentiality of donations and philanthropic contributions, as well as the personal data of donors, which may be disclosed only with their express written consent.
- Amendments should also be implemented in the Law on Income Tax, wherein philanthropic contributions, regardless of their form (cash, services, in-kind, intangible contributions), are recognised as deductible expenses for income tax purposes, not only for commercial entities (such as commercial companies, etc.) but also for individuals.

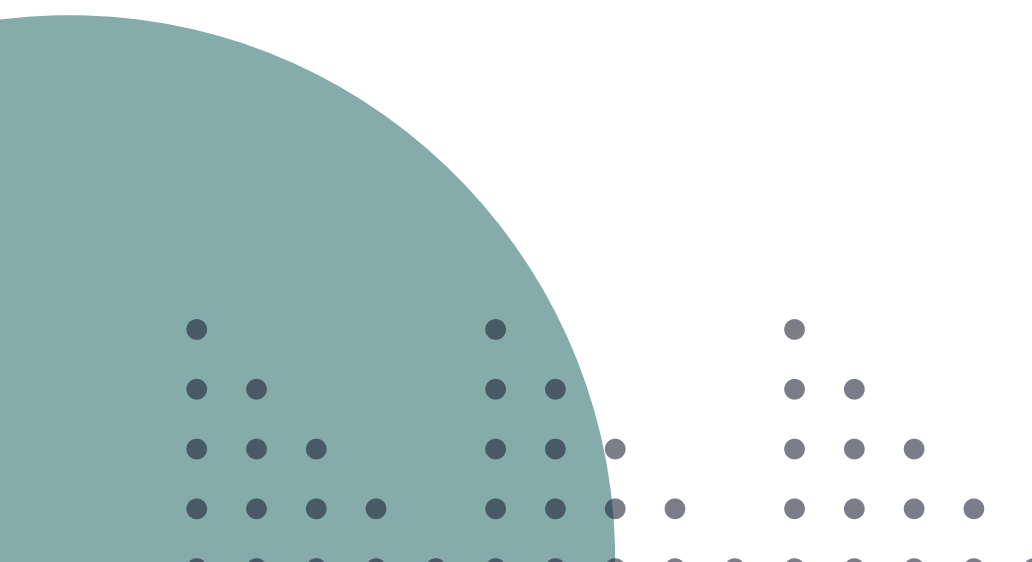


Table of
FINDINGS

Table of findings regarding the legal framework of philanthropic activity

PRINCIPLES	QUESTIONS ON THE LEGAL FRAMEWORK	ALBANIAN LEGISLATION
<p>FUNDAMENTAL GUARANTEES AND OVERARCHING ISSUES</p>	<p>1. Does the legislation provide basic guarantees for CSOs to access resources, including income from philanthropic efforts?</p> <p>2. Does the legislation allow CSOs to fundraise for any legitimate nonprofit purposes?</p> <p>3. How does the Civil Code and/or the Tax Code define donation and sponsorship?</p>	<p>1. Albanian legislation^[3] provides regulations regarding the access of NPOs to resources and income that have a philanthropic nature.</p> <p>2. NPOs are entitled to raise funds for legitimate purposes of public interest that do not seek personal gain or the distribution of income to the founder, leader, or members of the organisation, except for assisting individuals within the organisation who are considered to be in need^[4].</p> <p>3. The Civil Code of the Republic of Albania^[1], stipulates the following definition of donations: "Article 761: "A donation is a contract by which one party transfers ownership, without compensation, of a certain thing or a real right to the other party, which the latter accepts." Civil Code does not define the term "sponsorship". In terms of tax legislation^[6], there is no specific definition of the term "donation" for NPOs. Furthermore, there is a lack of definition for the term "sponsorship" within the legislation.</p> <p>The Law on NPOs, Article 2, point 8, defines Donation / Donations as follows: "Donation" refers to the provision of funds or material resources through a contract or agreement to aid in fulfilling the objectives of the non-profit organisation.</p>

[3] Law No. 8788, dated 7.5.2001 "On Non-Profit Organisations", Article 35 "Sources and use of income: "The sources of income for non-profit organisations include income from memberships when there are such grants and donations offered by private or public subjects, local or foreign, as well as income from economic activities and assets owned by a nonprofit organisation. Non-profit organisations acquire income from sources recognised by the law and incur expenses solely for the fulfilment of the purpose and objectives for which they were established, as well as for the management and maintenance of their assets.

[4] No form of distribution of profit or financial and material advantage benefit from the income and profit of the nonprofit organisation is permitted to the persons who are subject of the charter or establishment act, except for obligations in the form of salary, wages, payments, emoluments and compensations that derives from an employment contract or another contracts similar to it, or to cover expenses performed on the order and for the account of nonprofit organisations. Associations, in certain exceptional circumstances, may offer financial assistance to their members, external individuals, or other entities. Associations may give such assistance also from donated funds or those put at their disposition, when the donors have expressly defined such a right.

[5] Law No.7850, dated 29.07.1994 "For the Civil Code of the Republic of Albania", amende with Law No.8536, dated 18.10.1999, Law No.8781, dated 3.5.2001, Law No. 17/2012, dated 16.2.2012, Law No.121/2013, dated 18.4.2013, and Law No.113/2016, dated 3.11.2016.

[6] Law No. 9920, dated 19.5.2008 "On Tax Procedures in the Republic of Albania", amended.

<p>FUNDRAISING METHODS</p>	<p>GENERAL QUESTIONS ON PAYMENT METHODS</p>	<p>1.Does the legislation allow and encourage NPOs to use a broad range of fundraising methods, including through digital technologies (i.e. crowdfunding, SMS donations, credit card donations, etc.)?</p> <p>2.Are the regulations that impact fundraising methods clear, strictly necessary and proportionate to the interests protected?</p> <p>3.Is anonymous donation allowed/not inhibited by law?</p> <p>4.Which laws/regulations govern donations in virtual currencies and are they recognised as an official payment system?</p>	<p>1. Albanian legislation does not explicitly restrict the wide use of fundraising methods. The legislation does not explicitly address fundraising through digital technologies, nor does it expressly forbid it.</p> <p>2. There are no specific laws or by-laws for fundraising, and there are no specific and explicit legal regulations or provisions governing fundraising methods.</p> <p>3. There are no specific legal provisions to regulate anonymous donations (while the applicable legislation addresses anonymous donations to the public, it does not explicitly cover anonymous donations to state bodies). However, in accordance with the banking legislation, any donation realised through banking services must identify both the donor and the source of income. Similarly, tax legislation related to the responsibilities of tax authorities for overseeing NPOs for Money Laundering and Terrorism Financing mandates that NPOs shall identify and retain documentation concerning any funding or donation to NPOs, including those made in cash.</p> <p>4. There is no legislation on e-money donations. However, e-money is recognised as a means of payment for other purposes[7].</p>
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[7] Decision of the Supervisory Council of the Bank of Albania No. 59, dated 24.11.2021, regarding the approval of the Regulation "On the licensing of payment institutions and electronic money institutions, as well as on the registration of payment service providers."

<p>FUNDRAISING METHODS</p>		<p>5. Is the transfer of donations through a virtual currency subject to VAT or other taxes?</p>	<p>5. Based on the Law on NPOs donations to NPOs for non-profit, non-economic activity are not subject to taxation. The Law on Income Tax stipulates: "They are not subject to corporate profit tax ..ç) entities that only carry out activities of a religious, humanitarian, charitable, scientific or educational nature, whose wealth or profit is not used for the benefit of their organisers or members;... "[8]. Donations, regardless of their payment method, are subject to the same rules and same tax regime (the latter if applicable). Donations are not subject to any specific tax just because they are given/donated through e-money. Donations through e-money are subject to tax (there is no specific tax for donations via e-money. If tax is applied to other donations, it will also apply to e-money donations), like any other donation.</p>
<p>FUNDRAISING METHODS</p>	<p>SMS AND PHONE CALL DONATIONS</p>	<p>1.Are there any laws and/or regulations that describe the rules on SMS and phone call giving and assigning numbers for charitable causes?</p> <p>2.Are there any phone numbers assigned by law/regulation to specific organisations (e.g., humanitarian organisations, etc)?</p> <p>3.Is the SMS/ phone call exempt from VAT?</p>	<p>1. There are by-laws[9] that define rules for SMS, including sent/received messages by associations, although there are no explicit provisions regarding SMS, phone calls, or the allocation of specific numbers for charitable purposes.</p> <p>2. There are no telephone numbers designated by law[10] and dedicated to humanitarian organisations, etc.</p> <p>3. Sending SMS/phone calls, regardless of the purpose, is not exempted from VAT.</p>

[8] Article 27/2/ç of Law No. 29/2023 "On Income Tax", amended

[9] Instruction of the Commissioner for the Protection of Personal Data No.6 dated 28.05.2010 "On the Correct Use of SMS for Promotional Purposes, Advertisements, Information, Direct Sales, via Mobile Phones": ... 11. In the case of messages (SMS) sent by associations, political organisations, or third parties to their members, in addition to obtaining the requisite written consent, they must adhere to the legal conditions and criteria for sensitive data as outlined in Article 7 of Law 9887 dated 10.03.2008, concerning the Protection of Personal Data, as updated. 13. Operators of telecommunication services and other entities, in cases of sending advertising messages (SMS), shall obtain specific consent from the data entities. The will and specific consent must clearly express the typology of advertising messages (SMS) that can be sent in accordance with Article 6 of Law No. 9887, dated 10.03.2008. <https://qbz.gov.al/eli/udhezim/2010/05/28/6/c5f0e702-1b04-4e1f-81d4-3cb29e3f9fe2>.

[10] Law No. 9918, dated 19.5.2008 "On Electronic Communications in the Republic of Albania", amended by Law No. 102/2012, dated 24.10.2012, Law No. 107/2018, dated 20.12.2018; Law No. 92/2019, dated 18.12.2019.

<p>FUNDRAISING METHODS</p>	<p>WEBSITE COLLECTIONS</p>	<p>1. Which laws and/or regulations govern payment systems, payment services, and card-based instrument</p>	<p>1. There are no specific laws or regulations that explicitly define donations from crowdfunding, aside from the guiding provision in Article 37 of the Law on NPOs (regarding public fundraising[11]), but there is no explicit legal prohibition against them. In Albania, Smile.al platform, created by the Credins Bank, and implemented by the Credins Foundation can be considered a platform for crowdfunding donations. This platform has an online website[12] which is used to collect online donations to support NPOs` projects. it is reasonable to suppose that its creation, is based on Law 107/2015[13], Law 8788/2001[14] and Law 9880/2008[15]. The Red Cross Law stipulates articles for fundraising, including public fundraising, and fundraising events[16].</p>
<p>FUNDRAISING METHODS</p>	<p>WEBSITE COLLECTIONS</p>	<p>1. Which laws and/or regulations govern payment systems, payment services and card-based instruments?</p>	<p>1. The following laws regulate the payment system and payment service: (1) Law No. 55/2020 "On Payment Services". The purpose of the law is to establish a legal framework for payment services in the Republic of Albania. The scope of the law is to stipulate the conditions and regulations governing the establishment, licensing, organisation, operation, and oversight of payment institutions; ensure transparency in terms and information requirements for payment services; and outline the respective rights and obligations of users and providers of payment services concerning the provision of payment services as an ongoing or commercial activity.</p>

[11] Article 37, second paragraph of Law No. 8788 dated 7.05.2001 "On non-profit organisations", amended.

[12] The official webpage <https://smile.al/>

[13] Law No. 107/2015 "On Electronic Identification and Trusted Services", amended by Law No. 123/2016, dated 15.12.2016.

[14] Law no. 8788, dated 07.05.2001 "On non-profit organisations"

[15] Law No. 9880, dated 25.02.2008 "On Electronic Signature", amended by Law No. 8, dated 30.09.2009, Law No. 122/2016 and Law 18, dated 9.12.2022.

[16] Law No. 7864, dated 29.09.1994 "On the Red Cross", amended Law No.17/2021, dated 8.2.2021 (Article 1, 6, 8).

<p>FUNDRAISING METHODS</p>	<p>WEBSITE COLLECTIONS</p>		<p>(2) Law No. 133/2013 "On the Payment System". The purpose of the law is to promote the security, stability, and efficiency of the national payment system in Albania. The scope of the law is to establish the fundamental principles governing the licensing, regulation, and supervision of key components of the national payment system, as well as to define the rules for safeguarding these systems. The provisions of this law also regulate financial collateral agreements.</p>
<p>FUNDRAISING METHODS</p>	<p>GAMING AND LOTTERY</p>	<p>1. Which laws/regulations govern lotteries and are NPOs allowed to organise such activities (or does the state have exclusive rights)?</p> <p>2. Are there specific rules and exceptions for charitable lotteries and fundraising events?</p>	<p>1. The law that governs the functioning and operation of gambling in Albania is Law No. 155/2015 "On Gambling in the Republic of Albania", amended[17]. According to this law, not only does the state have the authority to engage in activities related to gambling, including the National Lottery, but also companies (interpreted as commercial entities, hence excluding NPOs) that express interest.</p> <p>2. Law No. 155/2015 "On Gambling in the Republic of Albania", amended, has a general character, and does not contain specific regulations or exemptions pertaining to lotteries utilised for charitable purposes or fundraising activities. National Lottery Law[18] provides for the respective operating company to allocate 2.2% of the annual turnover for public interest, (which may include NPOs), and requires transparency in the utilisation of funds transferred to the state for this purpose.</p>

[17] Law no. 155/2015 On Gambling in the Republic of Albania (amended by Law No. 140/2016, dated 22.12.2016, no. 75/2018, dated 25.10.2018) (updated)

[18] Law No. 95/2013 On the Approval of the License Agreement for the National Lottery Between the Ministry of Finance, as the Authorized Authority, and the Company "Oesterreichische Lotterien", Gmbh, through the Company "Olg Project" Shpk

<p>FUNDRAISING METHODS</p>	<p>CASH BOXES, STREET COLLECTIONS AND OTHER CASH SOLICITATION</p>	<p>1. Is there a law regulating conditions for organising cash collections, e.g., through collection boxes? Are there any rules on the street or door-to-door collections?</p> <p>2. What are the rules on handing cash receipts and does this apply to cash donations?</p> <p>3. Is there any limitation to the amount of cash that an NPO can receive from a single recipient?</p>	<p>1. There are no specific rules provided in laws or by-laws regarding the collection of cash in any form (cash or cash box, on the street, door to door, etc.).</p> <p>2. If cash donations are made, they must adhere to the amounts specified in the Law on Tax Procedures. If the donations fall within these limits (please refer to point 3 below), they must be accompanied by the issuance of a tax invoice or tax voucher by the recipient of the donation (NPO).</p> <p>3. Although not explicitly stated, it is understood that cash donations are subject to legal limitations on cash amounts. The Law on Tax Procedures^[19] provides as follows: Article 59/1 "Taxpayers, natural or legal persons, traders, may not carry out sale or purchase transactions using cash, when the value of the transaction is greater than ALL 150,000". Even NPOs are required to comply with this obligation.</p>
<p>FUNDRAISING METHODS</p>	<p>FUNDRAISING EVENT^[20]</p>	<p>1. Are there specific rules applicable to fundraising events?</p>	<p>1. There are no specific arrangements for fundraising activities by NPOs. Pursuant to this, it's notable that the Law on the Albanian Red Cross^[21] and the agreements with the five^[22] religious communities^[23] (legally approved)</p>

[19] Law No. 9920, dated 19.5.2008 "On Tax Procedures in the Republic of Albania", amended.

[20] Events designed to raise awareness, support and funds for a charity, such as concerts, dinners etc.

[21] <https://www.kksh.org.al/wp-content/uploads/2015/04/STATUTI-I-KRYQIT-TE-KUQ-SHQIPTAR-2008.pdf>

<https://qbz.gov.al/eli/ligj/1994/09/29/7864/3102fd59-f42f-4169-bc18-34088f020b5e>

[22] Law No. 10056, dated 22.1.2009 "On the Ratification of the Agreement between the Council of Ministers of the Republic of Albania and the Muslim Communities in Albania for the Establishment of Mutual Relations"; Law No. 10057, dated 22.01.2009 On the Ratification of the "Agreement Between the Council of Ministers of the Republic of Albania and the Autocephalous Orthodox Church in Albania on the Establishment of Mutual Relations"; Law No. 10394, dated 10.3.2011 On the Ratification of the "Agreement Between the Council of Ministers of the Republic of Albania and the Religious Community "Evangelical Brotherhood in Albania" on the Establishment of Mutual Relations"; Law No. 8902, dated 23.05.2002 On the Ratification of the "Agreement Between the Republic of Albania and the Holy See on the Regulation of Mutual Relations"; Law No. 10058, dated 22.01.2009 On the Ratification of the "Agreement Between the Council of Ministers of the Republic of Albania and the Bektashi Order Headquarters for the Establishment of Mutual Relations".

[23] Law No. 10056, dated 22.1.2009 "On the Ratification of the Agreement between the Council of Ministers of the Republic of Albania and the Muslim Communities of Albania for the Establishment of Mutual Relations", Article 12 'Relations with foreign religious communities': "...2. The Muslim community in Albania is entitled to receive financial and/or material support from foreign entities and/or individuals, as long as this support does not conflict with this Agreement and the applicable legislation".

<p>FUNDRAISING METHODS</p>	<p>FUNDRAISING EVENT</p>	<p>2. Are entertainment costs or "representative expenses" subject to tax?</p>	<p>include distinct provisions concerning fundraising activities[24] (the provisions of the latter address exemptions from taxes and regulations for their non-profit activities[1] allocate limited space for regulations regarding the methods and activities for fundraising).[2] However, these provisions solely apply to the Red Cross and the respective religious communities, as stipulated in the relevant laws.</p> <p>2. Article 9 of the Law on the Albanian Red Cross provides that the Albanian Red Cross shall be exempt from any kind of tax. The above-mentioned legal provision explicitly states the tax exemption for entertainment cost for the Albanian Red Cross.</p> <p>The Law on Sponsorships provides for sponsorship for public purposes and the Law on Income Tax provides for the consideration of sponsored amounts up to a certain percentage as deductible expenses for tax purposes (profit tax for commercial entities).</p>
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[24] Law No. 10057, date 22.01.2009 On the Ratification of the "Agreement Between the Council of Ministers of the Republic of Albania and the Autocephalous Orthodox Church in Albania on the Establishment of Mutual Relations", Article 15 'Legal and fiscal status': "... 2. The following shall be exempted from any kind of tax: a) Financial subsidies of any kind and any other legal income, as well as material donations intended to carry out its mission, when these incomes or donations are not used for benefits by the organizers. b) Construction of new buildings, buildings owned or in use by the Autocephalous Orthodox Church of Albania, or legal entities established by the latter which are registered with the competent government bodies, in cases where they are used without profit for the exercise of faith, management and ecclesiastical administration, pastoral, humanitarian and charitable activity, training of clergy, teaching theology and other ecclesiastical sciences, as well as religious and lay personnel in the service of the Autocephalous Orthodox Church of Albania. c) inheritance or property transfer tax during registration of movable and immovable property, which are donated to the Autocephalous Orthodox Church of Albania or when they are transferred between entities of the Church... 6. Regarding institutional activities, such as the following: worship, church management and administration, pastoral, humanitarian and charitable activities, training of clergy, teaching theology and religious sciences, the church and the legal entities established by it shall not maintain accounting register and shall not be subject to administrative standards provided for in the applicable legal and by-laws regarding this matter. Therefore, in regard to such activities, they shall not neither submit any annual accounting balance to the competent government bodies, nor to the government bodies designated by the applicable legislation".

[25] Law on the Albanian Red Cross, Article 40 'Income': "The annual income of the Albanian Red Cross consists of: - quotations; - resources provided by economic activities for performing its humanitarian objectives; - various sources, heritage, etc.; - government or other public companies' subsidies; - resources generated with the authorization of public authorities (e.g. donation collection, parties in public squares, and so on)."

[26] Law on the Albanian Red Cross, Article 37 'General': "In order to carry out its humanitarian activity within the limits it has defined, the Albanian Red Cross (ARC) shall hereby accept, sell, own, alienate and administer any property and means it requires. ARC can accept unlimited contributions and assistance of any kind from individuals, authorities and private organisations. It can accept anonymous donations up to ALL 1,000,000. ARC may not accept donations originating from the income of activities that do not comply with the Basic Principles. ARC may accept donations, property, inheritance or usufruct that are relevant to the goals of the Association. ARC must determine a reserve fund, the amount and destination of which is decided by the Steering Committee".

<p>FUNDRAISING METHODS</p>	<p>FUNDRAISING EVENT</p>	<p>3. Are there different regulations or taxation (VAT) if the NPO outsources the ticket sales?</p> <p>4. Is the sale of objects considered as charitable or income from the economic activity and therefore subject to any tax?</p> <p>5. Is the sale of donated goods considered as charitable or income from economic activities?</p>	<p>3. The sale of tickets is considered a non-profitable economic activity. The organisation is obliged to issue tax coupon[27] or fiscal invoices. Notwithstanding the above, any service and sale of products related to charity shall be VAT-exempted[28]. If tickets are sold through a third party, this vendor may act as a commission agent under Articles 935--944 of the Civil Code, amended, and shall charge the NPO for the ticket sale service. The tickets are sold by the third party and the collected fund shall be completely transferred to the NPO; the latter pays the third party only the price of the charges ticketing service.</p> <p>4. Based on the agreements with the religious communities in Albania, the objects owned by the latter and that are used for non-profit purposes, but for humanitarian and charitable reasons, shall be exempted from the tax system. If the objects are sold by the religious communities, the income should be exempted from income tax if it is used for the registered activities of the communities.</p> <p>5. If real estates are sold by religious communities, the law explicitly states that it is exempt from the local tax on the transfer of real estate, but they must pay the portion to the tax agent. It is understood that religious communities are also exempt when they donate real estate and the direct beneficiaries are state and public institutions and entities, both central and local[29].</p>
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[27] Article 4/c of Law No. 87, date/2019 "On the invoice and traffic monitoring system", amended by Law 108/2020.

[28] Law No. 92/2014 "On Value Added Tax in the Republic of Albania", amended.

[29] Article 29, Law no. 9632, dated 30.10.2006 "For Local Taxes System", amended

<p>FUNDRAISING METHODS</p>	<p>FUNDRAISING EVENT</p>	<p>6. Which consumer protection rules are relevant and shall be respected when NPOs organise a fundraising event?</p>	<p>The sale of items by NPOs to generate income for non-profit, non-economic activities is considered part of the NPO's non-profit economic activity. It is taxable to the extent that any non-profit economic activity of the NPO is taxable; that is, it is subject to income tax if the income is not destined for the organisation's registered non-profit activity^[30]. If the income from the sale of goods is used for charity, there are no specific legal provisions, but it should be noted that charity is classified as a non-profit, non-economic activity.</p> <p>Specifically, if real estate is sold by NPO, the law explicitly states that it is exempt from the tax on the transfer of real estate, but the organisation must pay the portion to the tax agent. It is understood that NPOs are also exempt when they donate real estate and the direct beneficiaries are state and public institutions and entities, both central and local.</p> <p>6. Regarding consumer rights, Law No. 9902, dated 17.4. 2008 "On Consumer Protection", amended^[31], is the applicable law even when NPOs arrange activities for income generation. This law defines the meaning of the 'consumer' and his/her rights. In addition, NPOs are considered consumers when they buy goods and services.</p>
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[30] Article 40 of Law "For Non-profit Organisations", amended.

[31] Law No. 9902, dated 17.4.2008 "On consumer protection", amended.



<p>FUNDRAISING METHODS</p>	<p>PAYROLL GIVING^[32]</p>	<p>1. Do the laws/regulations allow employers to process payroll giving? Is there a formal requirement for employers to fulfil such requests of employees?</p>	<p>1. The Labour Code does not stipulate any provision regarding consumer protection. According to the Labour Code, the employer shall not withhold the employee's salary payment (to a certain extent). Regarding the above, any other amount to be given/withheld from the employee's salary can and should be agreed between the employer and the employee as part of their mutual agreement^[33].</p>
<p>FUNDRAISING METHODS</p>	<p>LEGACY GIVING</p>	<p>1. Are NPOs allowed to receive property in the form of inheritance by will? 2. Are NPOs exempt from tax after such income?</p>	<p>1. Based on the Civil Code, amended, NPOs may receive donations as testamentary will^[34], as other natural or legal entities. 2. There is an exemption from the Real Estate Transfer Tax (which is considered a local tax) to NPOs^[35]. Once the real estate title is transferred to the NPO, the latter shall pay the relevant local immovable property tax (regardless of the real estate type). Religious communities shall be exempt from property tax (Article 22/dh of Law No. 9632, dated 30.10.2006, amended). Based on the agreements of the religious communities with the Albanian state, objects that are the object of inheritance are exempt from taxation.</p>

[32] Payroll giving is giving a donation regularly to a charity by the employer deducting it directly from the salary every month.

[33] Law No. 7961, dated 12.7.1995 "Labour Code of the Republic of Albania, amended.

[34] The Civil Code of the Republic of Albania, amended. Article 26: "Private legal entities shall mean companies, associations, foundations and other private entities, which receive their legal nature in the way stipulated by law". Article 386: "The testator can appoint the heir or heirs specified in the will to perform any action useful to the company or any other action, without granting a specific person the right to this action (encumbrance). When the testator bequeaths property to the government, its bodies, or various entities, he/she has the right to specify the purpose of use of the property".

[35] Article 29/1/c(ii) of Law No. 9632, dated 30.10.2006 "On the Local Tax System", amended.

<p>FUNDRAISING METHODS</p>	<p>CAUSE-RELATED MARKETING</p>		<p>– Keeping, processing and non-transfer of personal data based on legal regulations is another fundamental principle.</p> <p>– Sender identification is another fundamental principle.</p> <p>In cases when these rules are not implemented, there are administrative penalties ranging from ALL 30,000 to ALL 100,000 depending on the violation.</p>
<p>FUNDRAISING METHODS</p>	<p>SOCIAL ADVERTISEMENT</p>	<p>1. Are broadcasters required by law to provide free space for social advertisement?</p>	<p>1. Pursuant to Law No. 97/2013 "On Audio-visual Media in the Republic of Albania", amended, only the bodies of power and local government administration are entitled to require audio-visual media service providers (AMSPs) to broadcast short free communications, which attract specific interest to the public of the areas where they are broadcast and which are related to health protection, natural and human disasters, public order and national safety.</p> <p>The regulation of the Audio-visual Media Authority (AMA) defines^[39] high-interest content to the general public, which AMSPs shall broadcast without remuneration. Such is considered "content aiming to increase the awareness and information of citizens, to change their attitudes and behaviours regarding to social sensitivity, as well as content directly related to the health protection, natural and human disasters, public order and national safety".</p> <p>Furthermore, this regulation stipulates that audio-visual media service providers are obliged to broadcast free of charge "information, messages and announcements by various non-profit organisations related to health protection, only upon written confirmation by AMA for the type of the message".</p>

[39]<https://ama.gov.al/wp-content/uploads/2020/07/Rregullore-per-transmetimin-pa-shperblim-te-informacioneve-mesazheve-dhe-njofitimeve-me-interes-te-larte-per-publikun-e-gjere.pdf>

<p>FUNDRAISING METHODS</p>			<p>Editorial Principles and Professional Standards of the National Radio Television (RTSH) specified in the Code of Ethics, approved by the decision of the RTSH Governing Council (Decision No. 72, Prot. No. 3813, dates 23.11.2016), point 19.3 provides that RTSH broadcasts free of charge advertising for humanitarian organisations and calls for help. Foundations and humanitarian organisations that sign an agreement with RTSH are entitled to free advertising^[40].</p>
<p>FUNDRAISING METHODS</p>	<p>DIRECT MAIL</p>	<p>1. What are the principles and requirements of storing and using personal data for the purpose of direct marketing?</p>	<p>1. For direct mail/email purposes, the legal requirements provided by the legislation on personal data apply, including but not limited to as follows:</p> <ul style="list-style-type: none"> - Consent granted by the marketing message recipient. - Keeping, processing and non-transfer of personal data based on legal regulations, including non-processing for direct marketing purposes. - Sender identification information.
<p>DATA PROTECTION AND THE RIGHT TO PRIVACY</p>		<p>1. Do the laws/regulations recognise and protect the right to privacy of NPOs, their donors and beneficiaries?</p> <p>2. Is there an obligation for NPOs to report names and/or other identification/contact details of their donors and beneficiaries to state authorities?</p>	<p>1. NPOs enjoy the right to privacy, except in front of public bodies where and for which they must keep complete data and donor identification information, etc.</p> <p>2. NPOs enjoy the right to privacy except in front of statutory bodies, such as tax authorities, Anti-Money Laundering and Counter-Terrorist Financing bodies, and law enforcement bodies. The obligation to report on donors is provided in the legislation, while the obligation on concrete beneficiaries comes as an understanding as long as they must be transparent about which beneficiaries have benefited from the funding, to avoid the financing of terrorism.</p>

[40] https://rtsh.s3.eu-central-1.amazonaws.com/4fe8d4a805a246d7a33ff6dc658036e9_202004071647.pdf

<p>DATA PROTECTION AND THE RIGHT TO PRIVACY</p>		<p>3. Is there an obligation for NPOs to publish names and/or other identification/contact details of their donors or beneficiaries?</p> <p>4. If reporting/publishing obligations apply to NPOs, what is the scope of personal data required to be reported/published?</p> <p>5. What are the rules for storing personal data (e.g. is there a legally prescribed timeframe)?</p> <p>6. Do donors and beneficiaries have the right to access information about their data held by NPOs and can they ask for their removal?</p>	<p>This paragraph does not include the obligations that NPOs have for public reporting based on specific provisions of Albanian legislation[41].</p> <p>3. The fiscal legislation[42] foresees the obligation of the NPO to keep documented in the NPO and to make available to the relevant state bodies the names of donors and beneficiaries.</p> <p>4. Reporting obligations apply to NPOs. Donors and beneficiaries must be identified by name and personal number to enable them to be found, if necessary[43].</p> <p>5. The legislation provides rules for storing of personal data[44] (including keeping, maintenance, processing, and transfer of personal data) by controllers, as well as the right to access, correct and delete personal data, and any document, must be stored for no more than 5 (five) years, according to the general rule for keeping the documentation.</p> <p>6. Donors or beneficiaries do not have the right to access from NPOs the data held for them, and NPOs have no legal obligation to provide them, unless prior written consent has been obtained from the subject of personal data. However, these may be subject to contractual regulation.</p>
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[41] Law No. 80/2021 "On registration of non-profit organisations" and Law No. 9920 dated 19.05.2008 "On tax procedures in the Republic of Albania", amended, and Law No. 25/2018 "On Accounting and financial statements"

[42] Instruction No. 19, dated 9.7.2019 "On the Supervision of Non-Profit Organisations on the Prevention of Money Laundering and Terrorist Financing"; Instruction No. 16, dated 16.2. 2009 "On the Prevention of Money Laundering and Combating Terrorist Financing in the Tax System"

[43] These are stipulated in the above instructions.

[44] Law No. 9887, dated 10.03.2008 "On personal data protection", amended.

<p>DATA PROTECTION AND THE RIGHT TO PRIVACY</p>		<p>7. Did the Supervisory Data Protection Authority in your country issue a guidance on personal data processing of donors and receipt of donations (e.g. Information Commissioners Office, Guidance on Fundraising and Data Protection)?</p>	<p>7. There are no specific regulations regarding the personal data processing of donors or donation recipients, except "the processing of data by non-profit political, philosophical, religious or trade union organisations, for the purposes of their legal activity, only for members, sponsors or other relevant persons related to their activity. These data shall not disclose to a third party, without the prior consent of the data owner, unless otherwise provided by law"[45].</p>
<p>CROSS- BORDER FUNDRAISING</p>		<p>1. Do the laws/regulations allow NPOs to receive, use and disburse funding across borders freely?</p> <p>2. If not, how does the legislation restrict cross-border giving?[46]</p> <p>3. Do the laws/ regulations guarantee equitable tax treatment for cross-border and domestic donations?</p>	<p>1. NPOs can receive funds, and donations from any Albanian or foreign private/public entity.</p> <p>2. Cross-border financing is not prohibited.</p> <p>3. Albanian legislation provides for equal taxation regarding the cross-border financing of NPOs. Any funding in the form of a donation or grant shall be exempt from income tax.</p>
<p>TAXATION</p>	<p>TAXATION OF DONATIONS</p>	<p>1. Are monetary and in-kind donations exempt from corporate income tax?</p> <p>2. What is the VAT treatment of the supply of in-kind donations (e.g. Food donations?)</p>	<p>1. Cash and in-kind donations to NPOs are income tax-exempted[47].</p> <p>2. Donations of goods, including but not limited to food donations, to people in need and for charitable purposes are VAT-exempted.</p>

[45] Law No. 9887, dated 10.3.2008 "On personal data protection". Article 7 "Processing of sensitive data".

[46] Examples include, among others, bans on international funding, limitations on international funding for certain activities, prohibitions on receiving international funds from specific donors, requirements to inform the relevant state bodies about the receipt of international funds, requirements to be declared eligible to receive international funds via a special procedure, the requirement to receive international funds via special bank accounts or channel them via a centralised government fund, bank or state body, etc.

[47] Article 40 of Law No. 8799 dated 7.5.2001 "On non-profit organisations", amended.

TAXATION	TAXATION OF DONATIONS	<p>3. What is the VAT treatment of sale of goods/services financed by the proceeds from donations?</p> <p>4. What is the VAT treatment of purchase of goods/ services financed by the proceeds from donations</p>	<p>3. The sale of goods/services financed by donations to NPOs is considered a non-profit economic activity and is subject to the tax regime applicable to this activity: they are subject to VAT when the NPO is a VAT taxpayer / registered for VAT tax liability (except for the sale of goods or services that are exempted from VAT) and are not subject to profit tax if the incomes are not distributed but used to support the non-profit non-economic activity of NPOs, provided that the non-profit activity prevails over the economic activity and the total annual income from economic activity does not exceed 20%^[48].</p> <p>4. The purchase of goods and services with the proceeds from donations to NPOs is subject to VAT (except when purchases of goods or services that are exempted from VAT).</p>
TAXATION	TAX INCENTIVES FOR DONORS	<p>1. Are there any tax benefits for corporate and individual donors? If yes, what types of tax benefits are available for donors (e.g., tax credit, tax deduction etc.)?</p>	<p>1. The Albanian legal framework provides no tax benefits for individual donors.</p> <p>Regarding the tax benefits for donors who have the quality of the merchant sponsor according to the Law on Sponsorship), these are regulated with law from the Albanian state. The Income Tax Law stipulates deductible expenses for donors who funds for the purposes of calculating taxable income (see above in the sponsorship section).</p> <p>The Albanian legislation defines a certain percentage regarding the amount that the donor receives as a deductible expense from his/her income on calculating the taxable income: "The sponsor benefits from the following tax benefits for the sponsored amount:</p>

[48] DECISION No. 953, dated 29.12.2014 "On the Implementing Provisions of Law No. 92/2014, "On Value Added Tax in the Republic of Albania" amended <https://www.tatime.gov.al/shkarko.php?id=9517>

<p>TAXATION</p>		<p>2. Does the legislation clearly define qualifying NPOs, the percentage of the donations, that is eligible for the incentive, any minimum amounts and any other limits or caps?</p>	<p>The sponsored amount is recognised as a deductible expense up to 3 (three)% of the profit before tax for entities, natural or legal persons who are subject to tax on profit payment according to the Law on Tax on Profit. The sponsored amount for press publishers and publications of literary, scientific, encyclopaedic works, as well as for cultural, artistic and sports activities shall recognised as a deductible expense up to 5 (five) % of profit before tax for entities, natural or legal persons who are subject to tax on profit payment. The Council of Ministers shall define the criteria and measures of sponsorship by public legal entities[49]”</p> <p>2. Albanian legislation defines the activities that qualify for tax benefits, such as social and public activities that include humanitarian, cultural and artistic, sports, educational, ecological and literary, scientific and encyclopedic works as well as press publishers[50], implemented by institutions, associations and any other legal entity.</p> <p>Article 50 of the Income Tax Law[51] provides: The following are not deductible expenses: "...p) sponsored amounts: i. that exceed the amount of 5 (five) percent of profit before tax for press publishers and publications of literary, scientific, encyclopedic works, as well as for cultural or artistic activities; ii. that exceed the amount of 5(five) percent of profit before tax for sports activities. Sponsored amounts, within the above limit for the activities of sports teams, part of sports organisations recognised by the</p>
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[49] Law No. 7892, dated 21.12.1994 "On Sponsorships", amended, Article 5: "The funder shall benefit, for the amount sponsored, the following tax benefits: a) The sponsored amount shall be recognized as a deductible expense up to 3 % of profit before tax for entities, natural or legal persons who are subject to tax on profit payment according to Law No. 7677, dated 3.3.1993 "On tax on profit". b) (repealed) c) The amount sponsored for press publishers and publications of literary, scientific and encyclopaedic works, as well as for cultural, artistic and sports activities shall be recognized as deductible expenses up to 5 (five) % of the profit before tax for entities, natural or legal persons who are subject to tax on profit payment according to Law No. 7677, dated 3.3.1993 "On tax on profit". The Council of Ministers shall define the criteria and measures of sponsorship for public legal entities".

[50] Ibid Article 1

[51] Law No. 29/2023 "On Income Tax", amended.

<p>TAXATION</p>			<p>legislation in force in the field, for the purpose of calculating the tax on the profit of the tax period, are deductible up to three times the value of the sponsored amount. Their carryover to future tax periods is not allowed. This deduction is allowed after the issuance of the "Sponsorship Authorization" by the General Director of Taxes according to the procedures provided in the instructions of the minister responsible for finance. This provision applies only to sponsoring entities, which realise annual taxable profit over ALL 100 million, iii. that exceed the amount of 3 (three) percent of the profit before tax for the sponsorship of other activities, which are not included in subsections "i" and "ii" of this letter;..."</p>
<p>TRANSPARENCY, ACCOUNTABILITY AND OVERSIGHT</p>		<p>1.What are the reporting requirements of NPOs on income from fundraising activities?</p> <p>2. Are there any special requirements or is it part of the general reporting requirements of NPOs?</p> <p>3.Are there any reporting requirements for donors (individuals or companies) for the donations they have made to NPOs?</p> <p>4.Does the oversight and supervision of fundraising activities have a clear legal basis and is it proportionate?</p>	<p>1. NPOs do not prepare reports specific to donations but must keep all documentation related to donations.</p> <p>2. NPOs have only the general obligation to prepare the annual report and financial statements. Tax authorities control the source of donations received from NPOs.</p> <p>3. Donors who have the quality of the merchant have the obligation to account and reflect in the financial statements the donations or sponsorships for the respective beneficiaries including NPOs (but there are no explicit obligations for the preparation of special reports). Individuals do not report their donations made to NPOs.</p> <p>4. There is no explicit legal basis regarding the supervision and management of fund-raising activities.</p>

<p>TRANSPARENCY, ACCOUNTABILITY AND OVERSIGHT</p>		<p>5.Which authority is responsible for the supervision of fundraising activities? What is the scope of its mandate and what sanctions does the legislation foresee in case of non-compliance with the legal requirements on fundraising?</p> <p>6.Are financial institutions (e.g., banks) legally required to provide information/reports on NPOs` financial operations to state authorities? If yes, under what conditions?</p>	<p>5.There is no public authority responsible for supervising the activities of fund-raising for NPOs, except for the tax authorities, which for fiscal and anti-money laundering and terrorism financing purposes have the right to control the NPOs' activities on the funds received by them. The tax authorities control for fiscal purposes also the donations or sponsorships made by commercial entities which require that the donations and sponsorships be deductible expenses for the purposes of calculating the taxable profit.</p> <p>There is no penalty for the lack of explicit control and sanctions for fiscal purposes do not apply due to the lack of explicit legal provisions or special laws, as provided for in Article 37 of the Law on Non-Profit Organisations.</p> <p>6. Banks, as operators of the banking sector, have the obligation to treat NPO clients with enhanced vigilance (the relevant vigilance as specified in Regulation No. 44/2009 of the Bank of Albania) concerning the origin of financing that is carried out through the banking system, and they do not prepare reports specific to NPO client.</p>
<p>REGISTRATION, LICENSING AND PERMISSION</p>		<p>1.Are there any authorisation, licensing, or notification requirements for fundraising activities? 2.If yes, are the existing authorisation, licensing, or notification requirements necessary and proportionate? For example, is small-scale fundraising exempted? 3.Does the legislation provide an explicit and limited number of justifiable grounds for rejecting requests for permits? Is it possible to appeal against the decision?</p>	<p>1. There are no specific regulatory provisions for licenses, permits, etc., regarding the fund-raising activities.</p>

Annex 1: Principles of Statutory Fund-raising Regulation and Self-Regulation

This information is taken from the European Center for Non-Profit Law (ECNL) publication library, published in 2020.

PRINCIPLES FOR STATUTORY REGULATION AND SELF-REGULATION OF FUNDRAISING

What are the Fundraising Principles?

The Fundraising Principles provide a global overview of current trends in fundraising regulation and self-regulation and offer principles and recommendations addressing 7 key areas: fundamental freedoms; fundraising methods; data protection and right to privacy; cross-border fundraising; taxation; transparency, accountability and oversight; and registration, licensing and permission. The Principles are based on international and regional standards and country practices.

What is the aim of the Fundraising Principles?

The Fundraising Principles aim to support advocacy efforts to create an enabling environment for fundraising around the globe. They serve as a reference point to promote and facilitate further dialogue between CSOs and policy makers about how to pursue a balanced system of legislation, co- and self-regulation that facilitates and enables CSOs' fundraising activities.

PRINCIPLES



FUNDAMENTAL GUARANTEES

1. States guarantee CSOs' right to solicit, receive and use resources, which includes cash, in-kind and other forms of financial resources from individual and institutional donors.
2. CSOs are allowed to fundraise for any legitimate nonprofit purposes.
3. CSOs are informed and actively involved in the development, implementation and assessment of laws and policies affecting fundraising.



FUNDRAISING METHODS

1. States allow and encourage the use of the broadest possible range of fundraising methods.
2. Where regulations impacting fundraising methods exist, states ensure that they are clear, strictly necessary and proportionate to the interests protected.
3. Legislation allows for the use of new technologies in fundraising.
4. States ensure that financial service providers and other service providers do not limit fundraising activities through their policies and practices.
5. CSOs and fundraising professionals consider self-regulatory and co-regulatory initiatives to guide the implementation of various fundraising methods.



DATA PROTECTION AND RIGHT TO PRIVACY

1. States recognize and protect the right to privacy of CSOs, their donors and beneficiaries.
2. Reporting and disclosure requirements and state oversight do not violate the right to privacy of CSOs, their donors and beneficiaries.
3. Collection and use of data for fundraising purposes is based on previous consent of existing and potential donors as well as beneficiaries or on any other legal basis available, such as the demonstrable existence of a legitimate interest.
4. The scope of personal data collected and the time it is stored is limited and proportionate to the specific fundraising purpose.
5. Donors and beneficiaries have the right to access information about their data held by CSOs and can ask for their removal at any time.



CROSS-BORDER FUNDRAISING

1. States do not impose restrictions or intrusive procedures on CSOs to receive and use international funding and on the outflow of domestic funding to CSOs abroad.
2. States guarantee equitable tax treatment for cross-border and domestic donations.

3. Intermediary organizations can help to facilitate cross-border fundraising.
4. CSOs receiving international funding are not stigmatized, labeled as foreign agents, or attacked in public media, by the government, or by third parties.
5. Banks recognize the CSOs' right to open bank accounts and use banking services.



TAXATION

1. States provide preferential tax treatment and tax exemptions to a broad range of CSOs.
2. Tax benefits are provided in an impartial and transparent manner, based on clear and objective criteria, and are not used to undermine the independence of civil society.
3. States encourage philanthropy by providing meaningful tax benefits for donors.
4. States create other incentives or initiatives, such as tax designations and payroll schemes.
5. The procedure to obtain tax benefits and incentives is clear, simple, and quick.



TRANSPARENCY, ACCOUNTABILITY AND OVERSIGHT

1. Any reporting and disclosure requirements are proportionate to the legitimate aim, follow a risk-based approach and are not used to stigmatize CSOs based on their donors.
2. Any oversight is fair, objective and non-discriminatory and does not jeopardize the independence of CSOs.
3. The bodies in charge of supervision, the scope of supervision, purpose and limits of mandates of supervisory bodies are clearly defined by law.
4. Any fundraising-related sanctions are consistent with the principle of proportionality and are the least intrusive means to achieve the desired objective.



REGISTRATION, LICENSING AND PERMISSION

1. States ensure that any authorization, licensing, or notification requirements for fundraising activities are necessary and are the least intrusive means to achieve the desired objective.

2. States ensure that any authorization, licensing, or notification requirements for fundraising activities are proportionate.
3. Procedures are simple, quick, inexpensive, and easily performed by all CSOs wishing to organize a fundraising activity.
4. Legislation provides an explicit and limited number of justifiable grounds for rejecting requests for permits.
5. States and fundraisers, together with relevant stakeholders, assess whether self-regulatory mechanisms can complement or replace existing requirements.

What can you use the Fundraising Principles and Recommendations for?

- Assess existing or proposed legislation or regulation impacting fundraising;
- Facilitate discussions about how existing laws, regulations, and practices could be improved in the light of the standards and good practices;
- Identify new, innovative fundraising methods;
- Develop recommendations about how to improve the existing legal environment for fundraising and philanthropy and how to incentive giving through innovative self/co-regulatory models;
- Support advocacy efforts to create an enabling environment for private giving within and across countries.
- Carry out further research of the domestic environment for philanthropy;
- Advocate for stronger guarantees for philanthropy in international and regional policy documents

How were they developed?

The Fundraising Principles were developed by the European Center for Not-for-Profit Law Stichting (ECNL) and the International Center for Not-for-Profit Law (ICNL) with the support of a group of key experts on fundraising. The document was further informed by several research conducted on topics such as self-regulation, licensing, permission, and notification procedures for fundraising purposes, regulation of digital fundraising, data protection and others. The pre-final version was shared with more than 40 key experts through an online consultation to seek further input and validate the findings.



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