

# PRINCIPLES FOR STATUTORY REGULATION AND SELF-REGULATION OF FUNDRAISING



European Center for  
Not-for-Profit Law



## 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.

**7 areas**  
**70 countries**  
**32 Principles**  
**64 Recommendations**

## 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 incentivize 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.



Co-funded by the European Union

*This document was developed as part of the Sustainable Frameworks for Public Fundraising, managed by the European Center for Not-for-Profit Law Stichting (ECNL). The project is made possible by the International Center for Not-for-Profit Law (ICNL) through the Civic Space Initiative, financed by the Government of Sweden. The Government of Sweden does not necessarily share the opinions here within expressed. The author bears the sole responsibility for the content.*

*This publication was produced partially with the financial support of the European Union. Its contents are the sole responsibility of ECNL and ICNL and do not necessarily reflect the views of the European Union.*

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