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## REGIONAL CONFERENCE

The road to financial sustainability of  
civil society organizations

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*15-16 May 2018, Chisinau*



**Charitable activities in Ukraine can be carry out by any private and legal entities.**

**Beneficiaries of charitable activities can be:**  
Private person, non-for profit organization, local community, legal entity for charity purposes.

**The most popular providers of charitable activities are:**

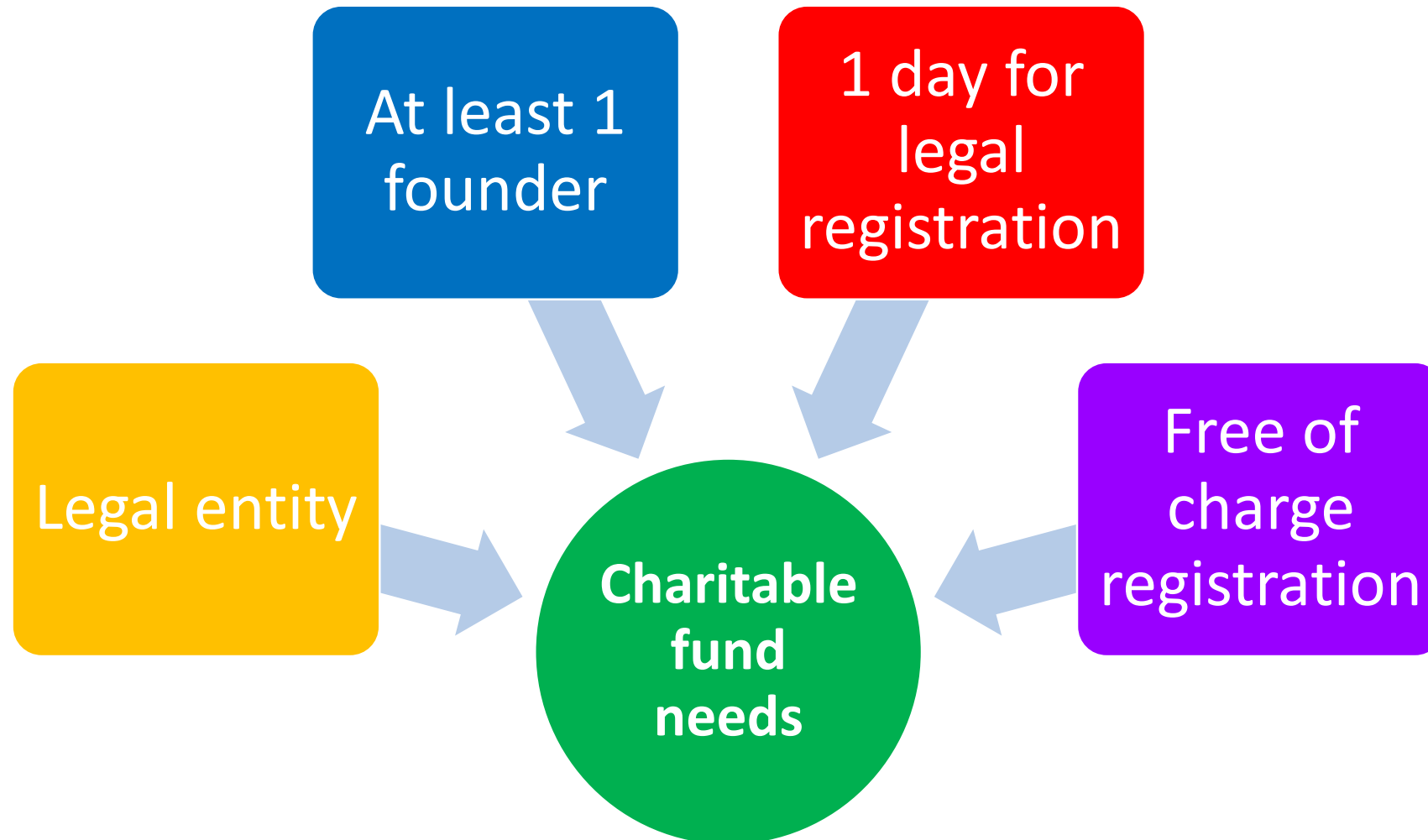
Charity organizations - 17 500

Public associations – 81 000



# TYPES OF CHARITABLE ORGANIZATIONS







## Types of charitable activities

- Free transfer to the ownership of the beneficiaries of funds, other property, as well as free transfer of property rights to the beneficiaries;
- Transfer of the right to use;
- Fee transfer to the beneficiaries of the right to use and other real rights to property and property rights;
- Free transfer to beneficiaries of income from property and property rights;
- Free supply of services and performance of works in favor of beneficiaries;





## Types of charitable activities

- charitable joint activities and performance of other contracts (agreement) about charitable activities;
- public donations;
- management of charitable endowments;
- execution of wills, testamentary refusals and contracts of inheritance for charitable activities;
- conducting charity auctions, non-cash lotteries, contests and other charitable events.
- charity servitudes of land plots or other real estate in favor of charitable organizations
- SMS - charity





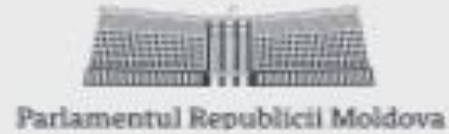
## Charitable activities in numbers

**250 millions \$** were spent by charitable organizations for charitable activities in 2016

**69 millions \$** were spent by public associations for charitable activities 2016 (32% of all outcomes)

- ✓ **70%** of Ukrainians donate money and goods
- ✓ **15%** of Ukrainians are volunteers





## Sources of funding

- 39,3 % - donations from private individuals;
- 32,6 % - funds from international donors;
- 16,6 % - donations from business;
- 1,7 % - state and local budgets;
- 1,4 % - passive income;
- 1 % - business activities
- 6,9 % - other



**Amount of donation from 1 person – on average 66 euro**



# Tax benefits

For those who provide charitable assistance

For those who receive charitable assistance

Legal entities

Individuals

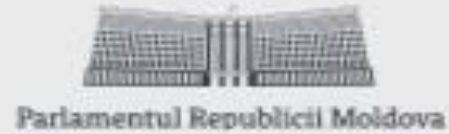


## For legal entities who provide legal assistance

### Income tax benefits:

- 4% of charitable assistance may be charged to expenses;
- 8% (for sports schools, Olympic training centers) may be charged to expenses;
- Charitable assistance provided in the form of medicines and medical products, personal hygiene products and foodstuffs may be charged to expenses.





## VALUE ADDED TAX

Charitable donations to charitable organizations are **exempt from taxation**

**VAT exemptions do not apply**, if the charitable assistance is provided in the form of:

- a) excisable goods;
- b) securities (other than endowments).



## For legal entities that receive charitable assistance

- ✓ The non-profit status is introduced that exempt organization from **income tax** (18 %)
- ✓ **Tax on real estate other than a land plot** (benefits are set by local authorities)
- ✓ **Land tax** (benefits are set by local authorities)





## For individuals who provide charitable assistance

### Personal income tax (18%) benefits right to apply a tax deduction:

- Citizens are entitled to a 4% reduction in the amount of income that will be taxed if funds are spent in the form of donations or charitable contributions.
- Citizens are entitled to reduce the amount of taxable income by the amount of funds spent on their treatment or treatment of their family members.





## For individuals who receive charitable assistance

The following funds are not included in the annual income subject to personal income tax (18% + 1.5% (army fee):

- Funds donated for purposes related to medicine (treatment, prosthetics, etc.);
- Funds donated for elimination of various technical disasters;
- No-purpose charitable assistance (that does not exceed approximately 80 euro);
- Funds donated for other purposes (in particular, on research, tuition, etc.).





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# Thank you!

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