Rules to Give By

A Global Philanthropy Legal Environment Index

NEXUS

McDermott Will & Emery

CAF Charities Aid Foundation

Initiated by Nexus;
legal research conducted by
McDermott Will & Emery LLP;
analysis provided by Charities Aid Foundation,
Nexus and McDermott Will & Emery LLP.

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Acknowledgements

Nexus would like to thank Alessandra Gregg, Clyde McConaghy, Elaine Quick, Yulya Spantchak, and Jonah Wittkamper. We are immensely grateful to McDermott Will & Emery LLP and the Charities Aid Foundation ("CAF") for their dedication and the extensive resources they have committed to making this report possible. In particular we would like to thank Toni Ann Kruse, who led a team of over 70 attorneys at McDermott Will & Emery LLP in preparation of the Index to this report, and Adam Pickering at CAF, who led the analysis of the data compiled in the Index.

We would like to thank NFP, the corporate sponsor of this publication.

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About the Partners

About the Global Campaign for a Culture of Philanthropy

The Rules to Give By Index is an innovative, analytical, and universal step along the path to support Nexus's Global Campaign for Culture of Philanthropy ("GCCP"). The GCCP advocates for public policies at national and global levels which encourage and enable more effective giving across the globe, and recognizes the diverse forms in which philanthropy appears. We promote good practice and celebrate role models to inspire greater generosity, and are galvanizing a global network of young people, activists, and experts to join us in our efforts.

About Nexus

Nexus is a global movement of 2,000+ young people from over 70 countries working to increase and improve philanthropy and impact investing by bridging communities of wealth and social entrepreneurship. Founded in 2011, Nexus puts the hope and promise of young people on the world stage by bringing young leaders together at Nexus Summits around the world for dialogue, education, and collaborative problem solving. The summits have helped raise awareness about pressing issues, scale projects globally, generate millions of dollars in new giving, and inspire the creation of various social businesses and non-profits.

About McDermott Will & Emery LLP

McDermott Will & Emery is a premier international law firm with a diversified business practice. Numbering more than 1,100 lawyers, we have offices in major cities throughout the United States and around the world. McDermott has 80 years of serving a broad range of client interests. Established in 1934 as a tax practice in Chicago, Illinois, McDermott has grown its core practices and offices around the globe. The expansion of our international platform has supported numerous cross-border transactions and litigation matters, while providing the experience necessary to offer corporate and commercial, international and domestic tax, labor and benefits, competition, intellectual property and regulatory counsel to clients across all industries.

About Charities Aid Foundation

Charities Aid Foundation ("CAF") is a leading international charity registered in the United Kingdom with nine offices covering six continents. Our mission is to motivate society to give ever more effectively and help transform lives and communities around the world. We work to stimulate philanthropy, social investment and the effective use of charitable funds by offering a range of specialist financial services to charities and donors, and through advocating for a favourable public policy environment.

Forewords

Nexus engages people in many sides of philanthropy, with special attention to increasing and improving the processes of giving and impact investing. Our collective experience reveals obstacles in the practice and perception of philanthropy around the world. These challenges impact anyone who engages in philanthropy and its many instruments. Correspondingly, the Global Campaign for a Culture of Philanthropy emerged within Nexus to upgrade the legal and cultural environments for philanthropy both through regulatory change as well as through elevating and humanizing donors and the donation process. From the start, the goal has been to involve global actors in the conversation, including the United Nations.

Through the Global Campaign for a Culture of Philanthropy, Nexus partnered with McDermott Will & Emery and Charities Aid Foundation to produce the *Rules to Give By Index*. The data in this report presents a vast body of information and provides a major reference point for any civil society effort to promote regulatory changes that facilitate philanthropy. Achieving these types of changes will help us and everyone to be more successful in our philanthropic endeavors.

We are excited to share this exploration of tax and regulatory regimes around philanthropy as a major step towards the broader goals of our Global Campaign for a Culture of Philanthropy. We invite you to recognize the potential of money as a vehicle for expressing "love for humanity" (also known as philanthropy). We also invite you to receive this document in the spirit of collaboration that encourages a global culture of giving.

Jonah Wittkamper, Co-founder, Nexus

McDermott has a long history of social responsibility and supporting the communities in which our people live and work. We believe it is our obligation to embrace our communities and promote their well-being through pro bono work, community service, charitable giving, environmental stewardship and promoting diversity. We act on this belief collectively and individually, and have made a positive difference, including providing pro bono legal services to the underserved and underrepresented, acting as volunteers in the community and as members and advisors on nonprofit boards, and working to build a more diverse legal profession. We continue to work on various ways we can improve in the future, including continuing to increase our pro bono and charitable commitments, nurture talent and diversity within our ranks and reduce our impact on the environment.

McDermott is pro bono legal counsel for Nexus and has led the creation of this Index since 2012. McDermott lawyers from around the world spent countless hours researching and writing summary reports on the charitable tax laws of all 193 UN Member States. We are proud to co-sponsor the Rules to Give By Index with Nexus and CAF and to provide a resource which compiles this interesting information which we hope will be an invaluable resource to aid in the promotion of global philanthropy.

Jeffrey E. Stone and Peter J. Sacripanti, Co-Chairs of McDermott Will & Emery LLP

The instinct to give freely to help others or further a cause is fundamental to human nature. Having been working internationally for over 30 years and having offices in 9 countries and across 6 continents, the Charities Aid Foundation ("CAF") has extensive experience in helping to catalyse that most human of instincts into sustainable and effective philanthropy.

We know from experience that generosity is not something that can be directly created by government policy. By its very nature, civil society necessarily exists outside of the state. However, we also know that at its best, a legal framework can create an enabling environment in which donors are encouraged and incentivised, in which nonprofits are well but not over regulated, and in which the transaction of giving is easy and rewarding for all concerned. Equally, we know that at its worst, a legal framework can be a drag on giving through excessive bureaucracy and a failure to reward socially beneficial behaviours.

I welcome the *Rules to Give By Index* as a much needed comparative tool for anyone interested in the continuing development of global philanthropy and look forward to the discussion that it will surely start around the world.

John Low, Chief Executive, Charities Aid Foundation

Rules to Give By Index Map

This map identifies the 193 Member States of the United Nations and scores for the 177 countries scored in the RGB Index.

Key

Rules to Give By Index Scores

11 10 9 8 7 6 5 4 3 2 1 0

Countries not scored in the index either because no taxes are imposed or information is incomplete.

List of scores for smaller nations

1. Albania	10	18. Burundi	9	35. Gabon	6
2. Andorra	*	19. Cabo Verde	9	36. Gambia	2
3. Antigua and Barbuda	3	20. Cambodia	6	37. Georgia	6
4. Armenia	9	21. Cameroon	6	38. Ghana	6
5. Austria	10	22. Comoros	6	39. Greece	7
6. Azerbaijan	4	23. Congo	6	40. Grenada	10
7. Bahamas	*	24. Côte D'Ivoire	2	41. Guinea	9
8. Bahrain	*	25. Croatia	9	42. Guinea-Bissau	2
9. Bangladesh	9	26. Cyprus	6	43. Guyana	9
10. Barbados	10	27. Czech Republic	**	44. Hungary	9
11. Belgium	11	28. Denmark	11	45. Israel	10
12. Belize	8	29. Djibouti	0	46. Kiribati	3
13. Benin	9	30. Dominica	9	47. Korea (Democratic People's Republic of)	0
14. Bhutan	6	31. Equatorial Guinea	8	48. Korea, (Republic of)	9
15. Bosnia and Herzegovina	10	32. Eritrea	0	49. Kuwait	*
16. Brunei Darussalam	*	33. Estonia	9	50. Lao (People's Democratic Republic)	5
17. Burkina Faso	**	34. Fiji	9		

51. Latvia	9	
52. Lebanon	6	
53. Lesotho	3	
54. Liberia	9	
55. Liechtenstein	9	
56. Lithuania	6	
57. Luxembourg	10	
58. Macedonia (The former Yugoslav Republic of)	7	
59. Malawi	9	
60. Malta	10	
61. Marshall Islands	3	
62. Mauritius	8	
63. Micronesia (Federated States of)	0	
64. Moldova (Republic of)	5	
65. Monaco	*	
66. Montenegro	9	
67. Nauru	*	
68. Nepal	3	
69. Netherlands	10	
70. Palau	0	
71. Qatar	6	
72. Romania	9	
73. Rwanda	9	
74. St. Kitts and Nevis	*	
75. St. Lucia	8	
76. St. Vincent and the Grenadines	7	
77. Samoa	2	
78. San Marino	3	
79. São Tomé and Príncipe	3	
80. Senegal	8	
81. Serbia	6	
82. Seychelles	2	
83. Sierra Leone	3	
84. Singapore	11	
85. Slovakia	9	
86. Slovenia	10	
87. Solomon Islands	3	
88. Suriname	1	
89. Swaziland	8	
90. Switzerland	11	
91. Timor-Leste	9	
92. Togo	3	
93. Tonga	9	
94. Trinidad and Tobago	9	
95. Tuvalu	2	
96. United Arab Emirates	*	
97. Vanuatu	*	

* These countries do not receive a score in the index due to the fact that they do not impose taxes and therefore are not in a position to offer tax incentives.

** These countries do not receive a score because information is missing in our research or the results were inconclusive.

Executive Summary

Philanthropy and charitable giving are the lifeblood of civil society. The support of individuals and companies, voluntarily choosing to give their money to help others, is vital to the work of non-profit organizations ("NPOs") around the world. Although this activity is, by definition, independent of government, governments can still play a crucial role in ensuring the right legislative and regulatory conditions for such activity to thrive. This is something that all governments should strive to achieve, as a vibrant civil society sector is a key element of any healthy society.

Despite the importance of government support for philanthropy in ensuring the sustainability of civil society, little is known about the overall global picture of how widespread this support is and what form it takes. This report is intended to address this gap in our knowledge and includes recommended international standards for the structures that support philanthropy. *Rules to Give By* is the first evaluation of the regulatory and tax conditions associated with philanthropy in each of the 193 United Nations Member States. Nexus has worked with McDermott Will & Emery LLP and Charities Aid Foundation over the last two years to gather and analyze comparative information on the legal and fiscal framework for charitable giving around the world that will provide an invaluable new evidence base and advance the debate in this area.

This report is the first stage of Nexus's "Global Campaign for a Culture of Philanthropy", which advocates for public policies at local and global levels which encourage and enable more effective giving, recognizes the diverse forms in which philanthropy appears, and promotes best practice and role models to inspire greater generosity. We hope that the report and the accompanying index will be of interest to anyone who wants to better understand the legal frameworks governing the tax treatment of NPOs and charitable donations around the world, and how these frameworks can be used to stimulate greater philanthropic giving. This will include those in governments who have the power to design and implement the necessary policies, as well as those who stand to benefit from these policies such as philanthropists, businesses, and civil society.

Our Key findings are that:

1. Incentives for philanthropy are the norm rather than the exception.
   77% of nations offer some form of incentive to corporate donors whilst 66% of nations offer some form of incentive for giving by individuals donors. Across all income groups as defined by the World Bank, a majority of countries offer incentives to corporations, and a majority of countries offer incentives to individuals, except Low Income countries, only 44% of which offer incentives to individuals. All income groups see a higher rate of incentives for corporations than individuals. 80% of High Income countries offer incentives to both corporate and individual donors. Twenty-eight countries (16%) offer tax incentives to corporate donors but not to individual donors.

2. Tax incentives for individuals appear effective in creating a culture of giving.
   Countries which offer tax incentives to individuals see higher rates of participation in giving money to charity. The proportion of people donating money to charity according to the World Giving Index is 12 percentage points higher in nations which offer some form of tax incentive to individuals (33%) than those that offer no incentives (21%).

3. Tax incentives appear effective in all economic development contexts.
   The effectiveness of tax incentives for giving is not dependent on a country's level of economic development. Across the economic spectrum, countries which offer tax incentives to individuals see higher rates of participation in giving money to charity according to the World Giving Index. Indeed, Low Income countries see the largest correlation between offering incentives for individuals and rates of participation in giving to charity, with those who offer some form of incentive to individuals enjoying a participation rate in giving of 27% compared to 18% in Low Income countries which offer no incentives.

4. Legacy gifts to NPOs are not universally incentivized.
   72 countries impose an estate (or similar) tax (41%). 34 of those countries (47%) offer no tax incentives for legacy gifts to NPOs.

5. There is a global consensus on providing tax exemptions for NPOs. Globally, only 9 countries (5%) provide no tax exemptions for NPOs, though exemptions offered vary between countries.

6. Higher-income countries are more likely to require reporting from NPOs.
   While 20% of the countries examined do not require reporting by NPOs, amongst High Income countries the figure falls to just 7%. In contrast, 17%, 24%, and 35% of Upper Middle Income, Lower Middle Income, and Low Income countries, respectively, do not require reporting by NPOs, suggesting a clear link between wealth and the regulatory complexity of the environment for giving.

7. NPOs are unlikely to have reporting requirements sensitive to their size.
   Of the 141 countries with reporting requirements for NPOs, only 26 (18%) have reporting requirements sensitive to organizational size. Of those 26 countries, 16 are High Income countries and none are Low Income countries. However, some countries have variable reporting requirements for characteristics outside the scope of this report.

8. Countries with a higher per capita gross national income ("GNI") tend to score higher on the RGB Index. Countries considered by the World Bank to be High Income nations received an average score of 8.9 out of 11 in the RGB Index compared to 7.4 for Upper Middle Income, 6.9 for Lower Middle Income and 5.8 for Low Income countries.

9. With the exception of Singapore, all of the 11 countries that received the highest possible score in the RGB Index were both High Income countries and members of the Organisation for Economic Co-operation and Development (OECD). Though causation is difficult to prove, the participation of High Income countries in international economic cooperation appears to result in a mainstreaming of progressive legal norms for encouraging and safeguarding charitable giving.

In producing this report, we seek to provide a new evidence base that can contribute to existing conversations on improving the global environment for philanthropy and stimulate further debate. Institutions such as the International Center for Non-Profit Law, the Council on Foundations, the European Foundation Center, and the Charities Aid Foundation amongst others produce research and analysis on similar topics, and have often served as resources for this report. Through the process of research and analysis, we have identified the need for a more nuanced and focused inquiry for future iterations of this report. We aim to monitor changes in these laws with an updated release of this report every few years. In between updated reports, notable developments may be released by the Global Campaign for a Culture of Philanthropy, as well as a focused analysis from experts and practitioners on trends, obstacles, and models for philanthropy.

Scope and Limitations of the Study

The purpose of this study is to summarize the relevant tax laws that affect non-profit organizations, corporate and individual donors, and estates, and to score countries on these regulations. To create a truly global picture, research covers all 193 United Nations Member States. Because this study seeks to understand the potential development of philanthropy within a country, this inquiry only addresses domestic tax policy and does not include any questions on cross-border flows.

A number of key assumptions and definitions have been made for the purpose of this report. These are:

1. Philanthropy is defined as the practice of financial giving; however, we appreciate that a definition of philanthropy may include several other aspects;
2. Regulatory and tax regimes enable the existence and function of non-profit organizations;
3. Tax incentives for giving by individuals and corporations are good; and
4. Creating frameworks and infrastructure for philanthropy lays a foundation for activity to thrive or begin.

While this report looks at a vast number of countries, its scope focuses on recorded laws rather than practicality and implementation of these laws. Although the latter is an important component in understanding the functional environment for giving and barriers to non-profit organization operations, assessing the implementation of tax laws would limit the number of countries covered. More in-depth resources on laws and implementation include the Council on Foundation's Country Reports prepared by the International Center for Not-for-Profit Law ("ICNL"), The Hudson Institute's Center for Global Prosperity's *Philanthropic Freedom: A Pilot Study*, also with ICNL, and the European Foundation Centre's Country Profiles. This report will be followed by a report by the Charities Aid Foundation as part of its *Future World Giving* series which will look at a smaller number of nations in more detail and use information from this study to make recommendations to governments and further Nexus's GCCP.

Furthermore, this study aims to understand the essential regulatory infrastructure for philanthropy and the potential to build on this infrastructure for healthy philanthropic activity in the future. The Rules to Give By Country Reports provide more detailed information on each country in the study, are a research resource for those who wish to undertake further analysis and comparison on the implementation of fiscal and legal policy to drive charitable and philanthropic activity.

Comparison by World Bank income group and region provides economic and environmental contexts. Sixteen countries are excluded from scoring and analysis as they impose no income and/or corporate taxes or have incomplete data, though all individual country reports appear in the Rules to Give By Country Reports.

To assess the influence of government policy on individual giving, we include detailed analysis against World Giving Index data for individuals donating money to charity. The data was gathered through the Gallup World Poll in 2012 and reported in the 2013 World Giving Index. At least 1,000 individuals were asked have you "donated money to a charity in the past month?" in each of the 135 countries represented in the data.

While cultural precedents for informal giving are important, assessing societal norms for generosity is also outside the scope of this study. Institutionalized philanthropy is arguably more prominent in developed countries, though giving and other acts of charity have deep cultural roots in religious and informal traditions of generosity. The societal value of such long-standing philanthropic traditions is sometimes not well reflected in laws and regulations governing giving. However, tendencies for giving and other generous behaviors are documented in the World Giving Index. As this study only looks at tax codes and non-profit regulations, it recommends developing further conversation on international standards.

While we have set clear limits for the scope of our initial study, great value is provided by the vast number of countries covered in this report and the concise overview of these countries' tax systems as it relates to philanthropy.

We were unable to obtain complete or conclusive information on 4 countries- Burkina Faso, Cuba, Czech Republic, and Mali. As such, they are exempt from scoring and analysis, though the obtainable information appears in the country reports. In the future, we aim to have complete information for all countries.

Future updates to this report may include clarifying sub-questions to tease out nuances revealed in the process of research which were not covered in the original seven questions. Further study will include in-depth analysis of both the information gathered in this report and new research. CAF will be publishing a report on the efficacy of tax incentive regimes that focuses on the countries which are projected to be the leading economies in 2030 as part of its *Future World Giving* series.

Scoring the Rules to Give By Index

In undertaking our research into the presence of legal infrastructure that might help to foster a culture of philanthropy, it was always our goal to create an index in which countries are given comparative ratings. Though we recognize that such a scoring system can never account for all the complexities of the law, the extent of implementation or the circumstances in which it exists, we believe that there is value in indexing the presence of some fundamental elements that underpin an enabling environment for philanthropy. By creating this index, it is our hope that readers will be able to easily compare the legal environment in one country to those in others, opening up scope for fresh debate around the rules and incentives that buttress mass generosity.

Nexus formulated seven questions around philanthropy in 2012, then partnered with McDermott Will & Emery to conduct research on the tax codes and laws in all 193 UN Member States regarding these questions. The information gathered is presented in the Rules to Give By Country Reports. Charities Aid Foundation joined in 2013 to develop an informative indexing method and collaborate on analysis. The scoring method described below was applied to the raw data yielding the index.

Country naming conventions follow those used in the United Nations General Assembly. Data for this report was gathered over a period of two years. As laws can change within that time period, some of the information presented may be outdated.

Questions and Scoring

1. Does the country have a tax system in place?
   Possible points: 0.
   As all countries in the study have an established tax system, Question 1 does not correspond with a score, but determines inclusion in the index. Countries that do not impose corporate and/or personal income taxes are not included in the index and analysis, although information on these countries are presented in the Rules to Give By Country Reports. A tax incentive score is not applicable for a country with a minimal tax system in place, as to assume that such a scenario is necessarily bad for charities is problematic.

2. If yes to 1, then does the country provide tax exemption for non-profits?
   Possible points: 2.
   Two points are awarded if NPOs are wholly, or partially exempted from taxation. Tax exemption for NPOs are important as besides improving the financial viability of organizations in receipt of donations, such exemptions also ensure that donations are not subject to taxation after the gift has been made. This removes a potential disincentive for donors.

3. If yes to 2, then does the country provide reporting requirements for non-profits?
   Possible points: 1.
   One point is awarded if NPOs are required to report to regulatory authorities. This could be a simple filing of financial records or a detailed account of activities. Reporting requirements, if proportionate and well implemented, can help to build public trust in giving and improve governance standards in the sector. As such, it seems appropriate to reflect this in our scoring system. However, overly burdensome or mismanaged reporting requirements could, in theory, be more damaging to public trust than no requirements at all. For this reason, only 1 point is awarded for the presence of reporting requirements.

4. If yes to 3, then are those reporting requirements sensitive to the size of organizations?
   Possible points: 1.
   One point is awarded if reporting requirements are sensitive to the size of organizations, as such guidelines may enable a greater proliferation of NPOs because small organizations are not overburdened by disproportionate or prohibitive reporting requirements.

5. If yes to 1, are there tax incentives in place to encourage philanthropy?
   Possible points: 6.
   Three points are awarded if incentives are available for individuals and another 3 points are awarded if incentives are available for corporations, for a maximum of 6 points. A greater emphasis is placed on the existence of incentives for giving, reflected in the number of points available on this topic.

6. If yes to 5, then do individuals and corporations have different incentives?
   Possible points: 0.
   Question 6 further clarifies incentives for giving to award points in Question 5, as is evident in the country reports. There is nothing inherently good or bad about having different incentives for individuals and donors, hence no points available here.

7. Finally, does there exist an "estate tax" or some equivalent mechanism that encourages the creation of donor institutions?
   Possible points: 1.
   One point is awarded if bequests made to charities upon death are tax exempt in those countries which have an estate or similar tax. Weighting is low so as not to disadvantage countries that do not levy any estate tax. While the recent trend of spending endowments during one's lifetime creates great impact, the creation of donor institutions and endowments extending beyond death creates vehicles for and institutionalizes multi-generational participation in a culture of philanthropy. Additionally, development of donor institutions encourages the professionalization and transparency of philanthropy.

Thus, the highest score a country can receive is 11 points. The questions above have different score potentials depending on the topic's relevance to encouraging philanthropy. Scoring is based on whether certain incentives exist, rather than how large those incentives are.

Exempt Countries

We conducted research on all 193 United Nations Member States. With 16 countries exempt from scoring, analysis covers 177 countries using that number as the base for all calculations. As mentioned in the previous section, 4 countries – Burkina Faso, Cuba, Czech Republic, and Mali- are exempt due to incomplete or inconclusive information. An additional 12 countries – Andorra, Bahamas, Bahrain, Brunei Darussalam, Kuwait, Monaco, Nauru, Oman, St. Kitts and Nevis, Saudi Arabia, United Arab Emirates, and Vanuatu- are exempt due to tax regimes without corporate and/or personal income taxes. Assessing tax incentives for giving in countries without corporate and/or individual income taxes would unfairly disadvantage these countries in the scoring and draw a misrepresentative picture. Information on all 193 countries are included in the Rules to Give By Country Reports.

Analysis

To provide a contextual perspective, some analysis is presented by income group according to 2014 World Bank income groupings, with some distinction between OECD and non-OECD High Income countries, and by continents and regions. Income groups represent quartiles of Gross National Income. High Income countries are sometimes broken down into "OECD" and "non-OECD nations" to provide additional insight. Comparison with World Giving Index ("WGI") data includes only those 135 countries for which 2013 WGI data exists.[1]

1 See the 2013 World Giving Index for countries covered.

Findings

Rules to Give By Index

Key

- Low Income
- Lower Middle Income
- Upper Middle Income
- High Income
- Tax regime
- NPO tax exemption
- NPO reporting
- NPO reporting sensitive to size
- Corporate tax incentives
- Individual tax incentives
- Different incentives for corporations and individuals
- Estate tax
- Donations after death exempt

Country	Income	Tax regime	NPO tax exemption	NPO reporting	NPO reporting sensitive to size	Corporate tax incentives	Individual tax incentives	Different incentives for corporations and individuals	Estate tax	Donations after death exempt	*Score*
Belgium	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Canada	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Denmark	High Income	✓	✓	✓	✓	✓	✓		✓	✓	11
France	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Germany	High Income	✓	✓	✓	✓	✓	✓		✓	✓	11
Ireland	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Italy	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Singapore	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Switzerland	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
United Kingdom of Great Britain and Northern Ireland	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
United States of America	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Albania	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Australia	High Income	✓	✓	✓		✓	✓		✓	✓	10
Austria	High Income	✓	✓	✓	✓	✓	✓				10
Barbados	High Income	✓	✓	✓	✓	✓	✓				10
Bolivia (Plurinational State of)	Lower Middle Income	✓	✓	✓		✓	✓		✓	✓	10
Bosnia and Herzegovina	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Brazil	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Bulgaria	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10

Country	Score
Chile	10
China	10
Colombia	10
Egypt	10
El Salvador	10
Grenada	10
Indonesia	10
Iran (Islamic Republic of)	10
Israel	10
Japan	10
Jordan	10
Luxembourg	10
Malta	10
Mongolia	10
Netherlands	10
Papua New Guinea	10
Philippines	10
Slovenia	10
South Africa	10
Sweden	10
Syrian Arab Republic	10
Turkey	10
Ukraine	10
Venezuela (Bolivarian Republic of)	10
Argentina	9
Armenia	9

Country	Score
Bangladesh	9
Benin	9
Burundi	9
Cabo Verde	9
Costa Rica	9
Croatia	9
Dominica	9
Estonia	9
Fiji	9
Guatemala	9
Guinea	9
Guyana	9
Haiti	9
Honduras	9
Hungary	9
Iceland	9
India	9
Jamaica	9
Kazakhstan	9
Kenya	9
Korea (Republic of)	9
Latvia	9
Liberia	9
Libya	9
Liechtenstein	9
Madagascar	9
Malawi	9
Malaysia	9

Country	Score
Maldives	9
Mexico	9
Montenegro	9
Morocco	9
New Zealand	9
Pakistan	9
Panama	9
Paraguay	9
Peru	9
Poland	9
Portugal	9
Romania	9
Rwanda	9
Slovakia	9
South Sudan	9
Spain	9
Sri Lanka	9
Tajikistan	9
Tanzania (United Republic of)	9
Thailand	9
Timor-Leste	9
Tonga	9
Trinidad and Tobago	9
Yemen	9
Zambia	9
Belize	8
Equatorial Guinea	8

Country	Score
Mauritius	8
Myanmar	8
Senegal	8
St. Lucia	8
Swaziland	8
Tunisia	8
Uganda	8
Viet Nam	8
Greece	7
Macedonia (The former Yugoslav Republic of)	7
Russian Federation	7
St. Vincent and the Grenadines	7
Algeria	6
Angola	6
Bhutan	6
Cambodia	6
Cameroon	6
Central African Republic	6
Comoros	6
Congo	6
Cyprus	6
Dominican Republic	6
Ecuador	6
Ethiopia	6
Finland	6
Gabon	6

Country	Score
Georgia	6
Ghana	6
Kyrgyzstan	6
Lebanon	6
Lithuania	6
Namibia	6
Nigeria	6
Qatar	6
Serbia	6
Sudan	6
Uruguay	6
Uzbekistan	6
Lao (People's Democratic Republic)	5
Moldova (Republic of)	5
Mozambique	5
Norway	5
Azerbaijan	4
Chad	4
Afghanistan	3
Antigua and Barbuda	3
Belarus	3
Botswana	3
Iraq	3
Kiribati	3
Lesotho	3
Marshall Islands	3
Mauritania	3

Country	Score
Nepal	3
Nicaragua	3
San Marino	3
São Tomé and Príncipe	3
Sierra Leone	3
Solomon Islands	3
Togo	3
Turkmenistan	3
Zimbabwe	3
Congo (Democratic Republic of the)	2
Côte D'Ivoire	2
Gambia	2
Guinea-Bissau	2
Niger	2
Samoa	2
Seychelles	2
Somalia	2
Tuvalu	2
Suriname	1
Djibouti	0
Eritrea	0
Korea (Democratic People's Republic of)	0
Micronesia (Federated States of)	0
Palau	0

Not scored in the index

Country		*Score*
Andorra		*
Bahamas		*
Bahrain		*
Brunei Darussalam		*
Burkina Faso		**
Cuba		**
Czech Republic		**
Kuwait		*
Mali		**
Monaco		*
Nauru	Unclassified	*
Oman		*
Saudi Arabia		*
St. Kitts and Nevis		*
United Arab Emirates		*
Vanuatu		*

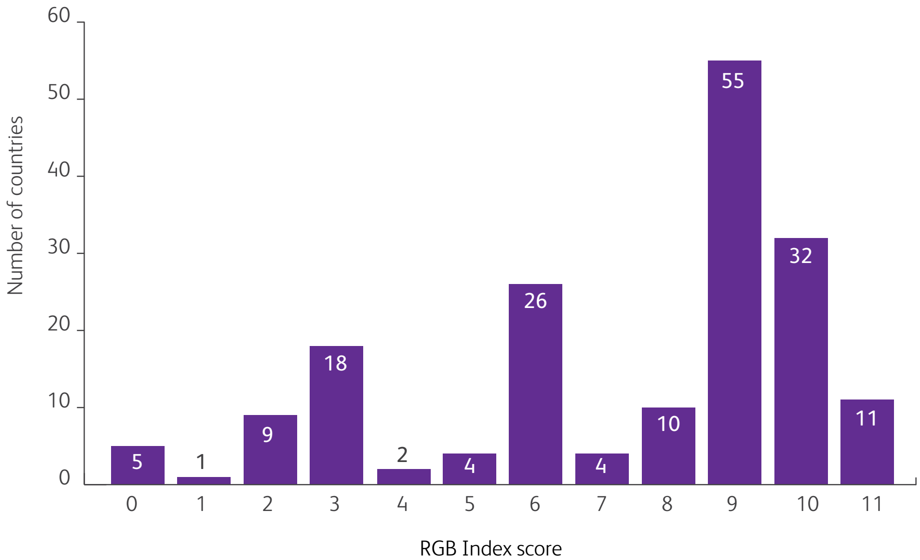
* These countries do not receive a score in the index due to the fact that they do not impose taxes and therefore are not in a position to offer tax incentives.
** These countries do not receive a score because information is missing in our research or the results were inconclusive.

Analyzing Index Scores

The first Rules to Give By Index ("RGB Index") provides a striking picture of a complex and disparate global legal environment for philanthropy. On the one hand, it is extremely encouraging that 56% of countries scored 9 or above out of a possible score of 11, with 9 being the median score for the whole dataset. On the other hand, an average score of 7 tells us that globally, we are yet to reach a consensus on the importance of providing the required legal infrastructure to enable the development of a culture of philanthropy.

The distribution of RGB Index scores is non-normal in that plotted on a graph (below), they do not follow a recognizable curve. The primary reason for this is the weighting of our scoring system which affords more points for the presence of some legal instruments than others. In addition, the data is skewed by the fact that some of the laws that we are studying have natural relationships with each other. For instance, only 7% (13 countries) of those included in the index (177 countries) offer tax incentives for corporations and individuals but do not require recipient organizations to report to regulators. Only one country, Cyprus, offers incentives to both but does not offer tax exemption to NPOs.

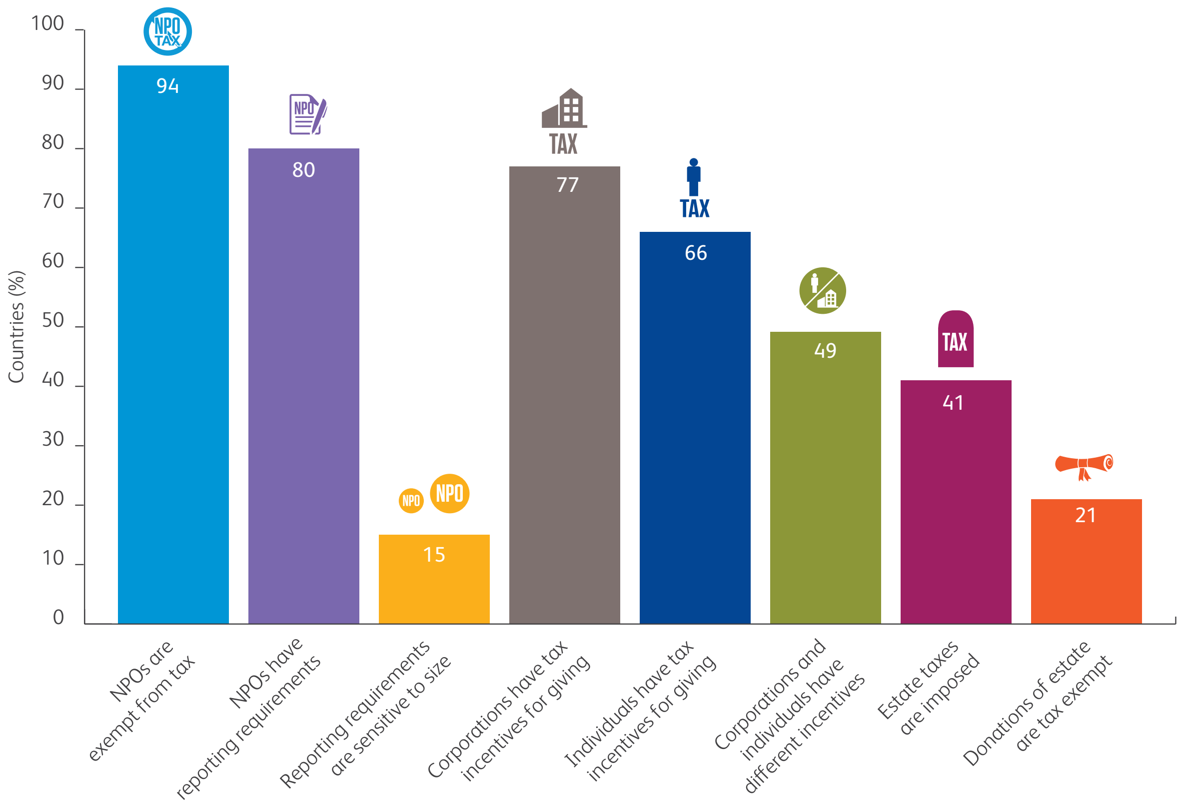
Spread of RGB Index scores



Base: 177 countries

It is interesting to note that a number of countries whose governments do not have a reputation for supporting and enabling the development of either a culture of philanthropy or a healthy non-profit sector score highly in the RGB Index. In the case of some of these nations, the fact that the legal framework is in place does not mean that it has been properly, fairly, or proportionately implemented as the RGB Index does not assess this. In countries with high RGB Index scores but low engagement in philanthropic activity, the focus should be on properly implementing existing laws and extending the availability of tax exemptions and incentives.

Percentage of countries with philanthropic legal infrastructure in place



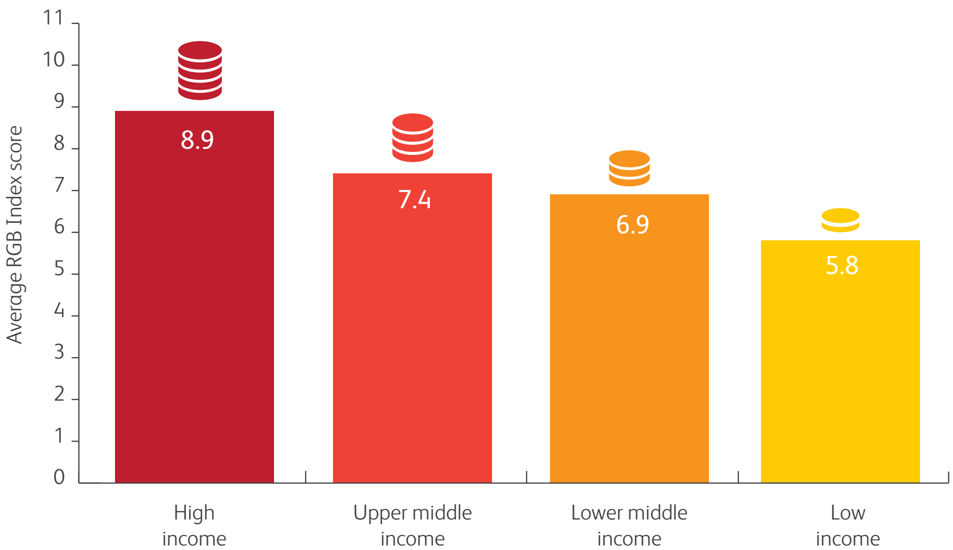
Base: 177 countries

Income Level

Our research clearly shows a strong relationship between the income level of a country – we use the World Bank's income levels which are based on Gross National Income – and RGB Index scores. Strikingly, all 11 nations receiving the highest available RGB Index score are High Income nations, and only one of those, Singapore, is not a member of the Organization for Economic Co-operation and Development ("OECD") – an organization where high-income countries committed to market liberalization and democracy are represented.

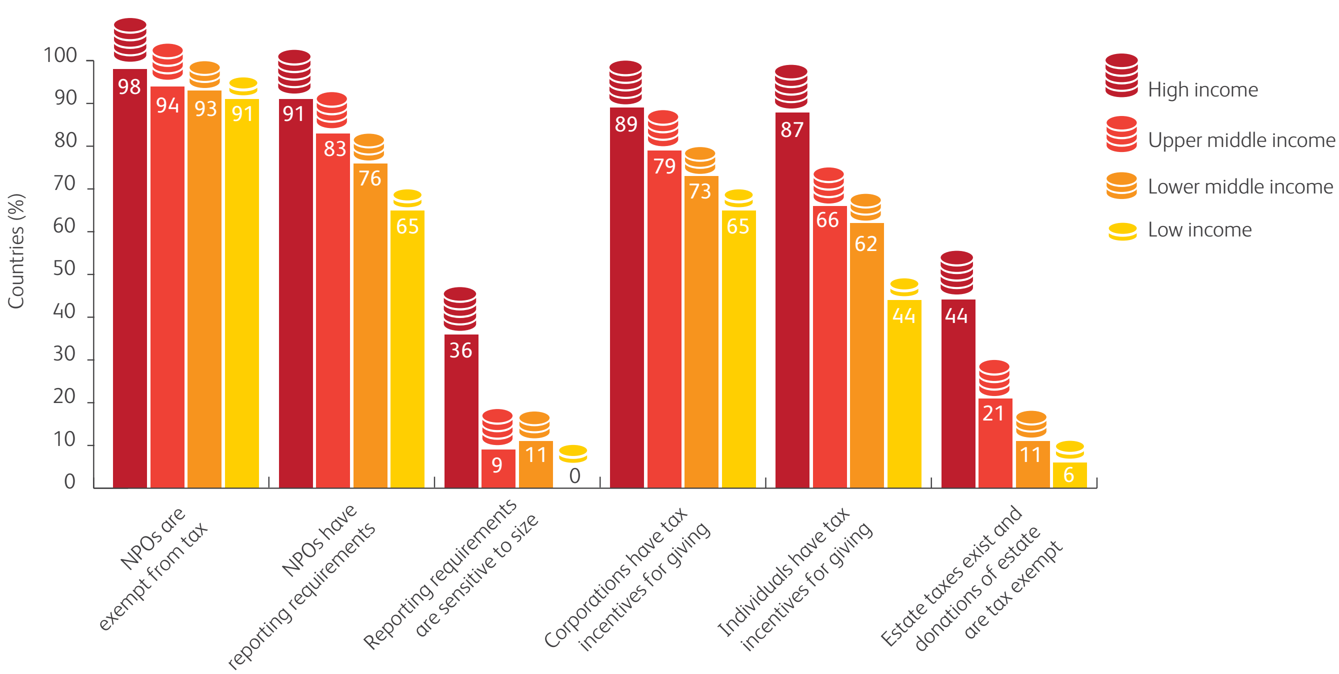
It is perhaps not surprising that wealthy nations generally have more complex legal frameworks and infrastructure for philanthropic activities to be supported and regulated, given that both the cost of such bureaucracy and the fact that the potential for philanthropy in terms of economic wealth is clearly higher in higher income nations. However, such generalizations should not stand in the way of recognizing a significant number of Lower Middle Income (22) and Low Income (13) countries that score 9 or above in the RGB Index. Nor should it fail to highlight that eight High Income countries score 6 or below in the index including some of the world's wealthiest nations such as Qatar (6), Finland (6) and Norway (5).

Average RGB Index score by income group



Base: 177 countries
Income groups defined by the World Bank

Percentage of countries with philanthropic legal infrastructure by income group

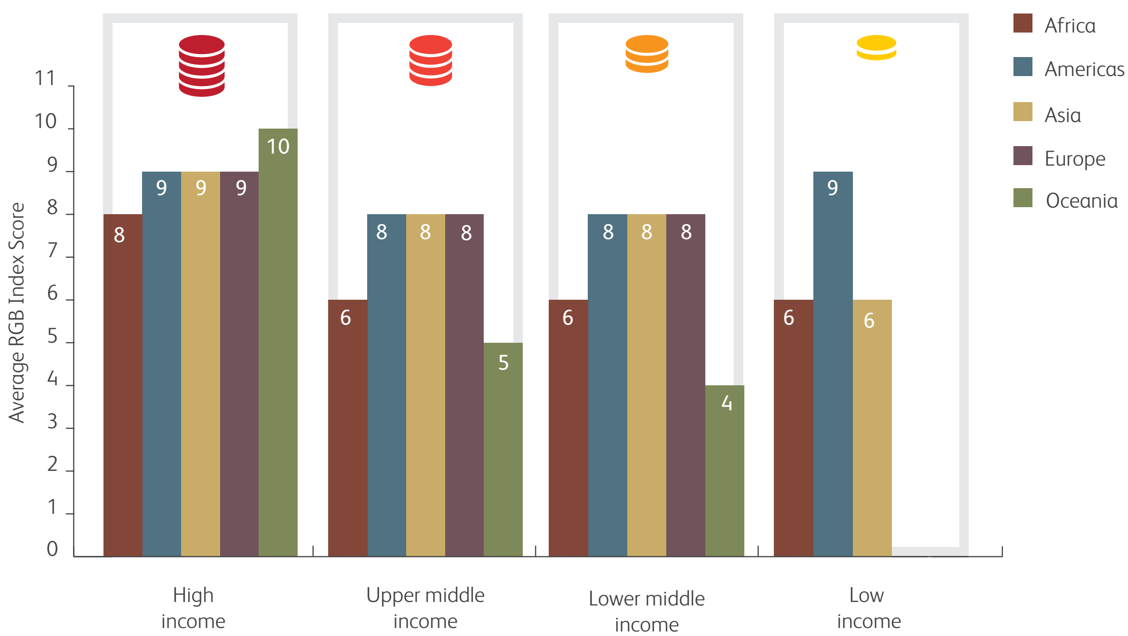


Base: 177 countries
Income groups defined by the World Bank

Regional Breakdown

Given the differences in economic development between continents, it is necessary to consider geographical variations in the RGB Index in context with income levels. On that basis, it is interesting to note that the Americas and Europe perform consistently across all income levels whilst Africa generally under performs within income groups but especially in Upper Middle Income and Lower Middle Income countries. Interestingly, Oceania has very disparate scores with its High Income nations achieving the highest of any continent but its Upper Middle Income and Lower Middle Income nations scoring the lowest scores, though it is significant that the continent only has 2 High Income nations in Australia and New Zealand.

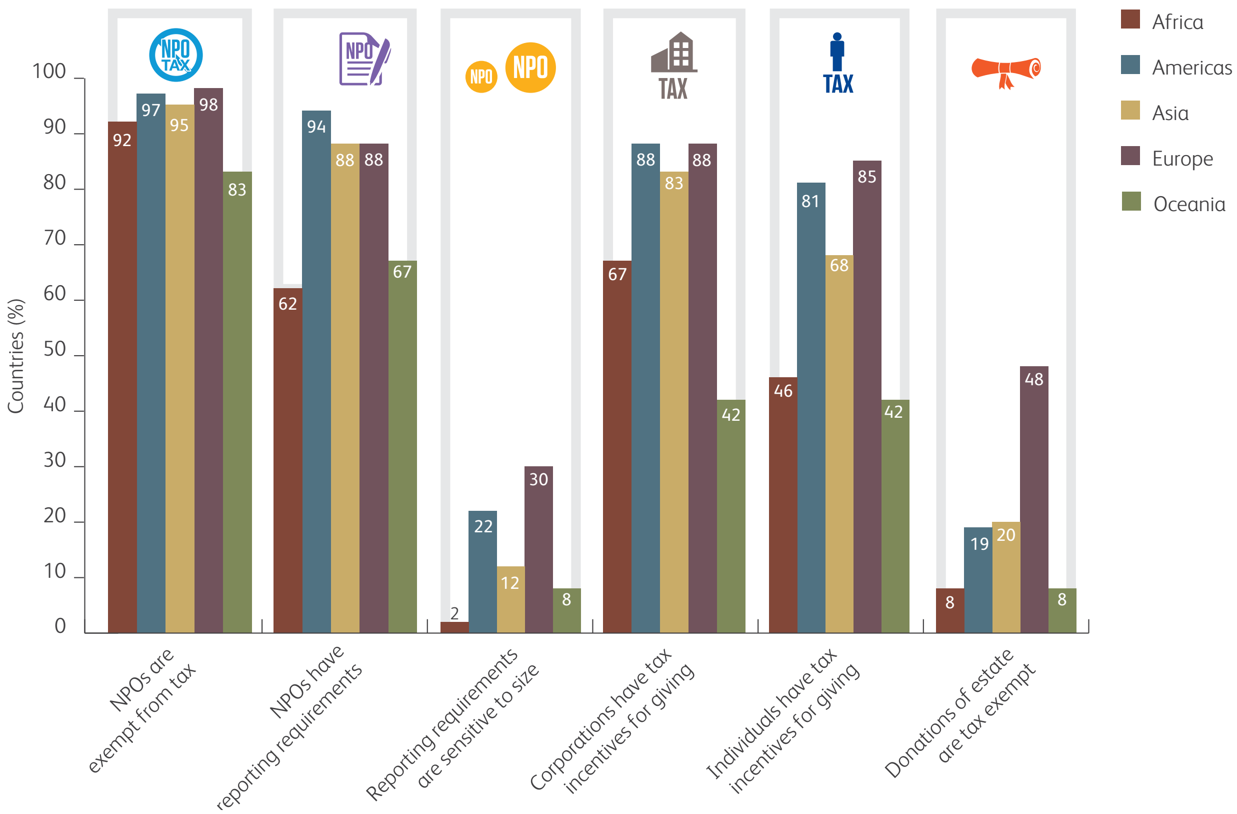
Average RGB Index score by income group and continent



Base: 177 countries
Income groups defined by the World Bank

In general, the relative positions of the continents stay consistent across most aspects of the index. However, some clear differences exist when it comes to incentives. Africa, for instance, shows a gap of 25 percentage points between the number of countries that offer incentives to corporate donors (67%) and individual donors (42%), whilst there is a less pronounced, but still significant gap of 15 percentage points between the presence of corporate (83%) and individual (68%) incentives in Asia. In Europe, almost half (48%) of all nations impose estate taxes and offer tax incentives or exemptions on legacy gifts to charitable causes. The next highest incidence of this model of estate tax incentivized giving on other continents occurs in Asia at just 20% of nations.

Percentage of countries with legal philanthropic structures in place by continent



Base: 177 countries

Non-Profit Organizations

Non-profit organizations ("NPOs") are an important recipient of philanthropic donations. Their capacity to use resources strategically and effectively makes them a crucial component of civil society, and as such, many governments offer tax exemptions and incentives to facilitate the development of the sector. Tax benefits may be available on both sides of the donation relationship- for the donor and the recipient. This section focuses specifically on tax exemption for NPOs. Tax exemption or reduced taxes enable NPOs to get more value from the funds that they receive regardless of the source, enabling them to generate more value for society.

Whilst exemption from taxation allows NPOs to do more with the funds that they receive, this freedom from taxation must necessarily be twinned with the appropriate checks and balances. Reporting requirements are needed to ensure that NPOs are legitimate and committed to an appropriate social mission. As such, this section investigates the presence of reporting regimes and also attempts to inquire whether regulators have differing demands for reporting from organizations of different sizes.

Tax Exemption

A country is considered to have tax exemptions for NPOs if exemptions of any size in any category of taxes exist, including but not limited to capital, corporate, import, income, payroll, property, and VAT taxes.

Globally, only 5% of countries examined (9 countries) provide no tax exemptions for NPOs (excluding those countries who do not impose any taxes on corporations or individuals). This suggests a clear consensus on the value of tax exemptions for NPOs, although exemptions offered vary between countries. More detail is available in the country reports. Each income group and each continent has at least one country without tax exemptions for NPOs, revealing few trends among these countries. Regionally, only North America and South Asia do not contain a country without tax exemption for NPOs. Of the 9 countries without tax exemptions for NPOs, 3 are Low Income: North Korea, Eritrea, and Zimbabwe; 2 are Lower Middle Income: Djibouti and Micronesia; 3 are Upper Middle Income: Belarus, Palau, and Surname; and only 1 is High Income: Cyprus.

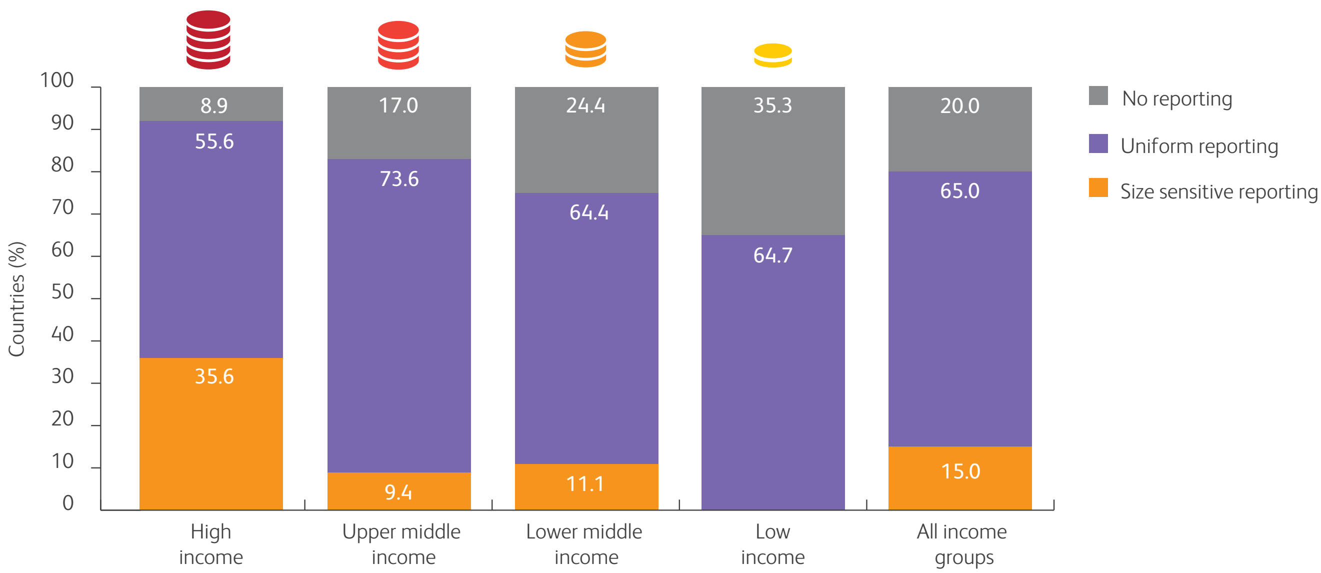
Reporting Requirements

We investigated reporting requirements for NPOs, and whether those requirements are sensitive to the size of the reporting organization. The presence alone of reporting requirements is not a measure of the quality or efficacy of the regulatory environment, and overly burdensome or opaque requirements can actually be damaging for the governance of the sector. However, an established reporting regime for NPOs can help to establish a healthy governance environment that improves standards and helps to build donor trust. Although reporting can be a cumbersome drain on time and resources to organizations of any size, smaller organizations are more prone to having limited staff time and expertise to meet reporting requirements. For this reason we have looked at the practice of offering different reporting regimes that are proportionate to the size of the non-profit at hand. Again, the existence of such a distinction is not in itself necessarily positive as, if poorly designed or administered, this more complex approach might well be inferior to issuing blanket reporting demands.

In some jurisdictions, reporting requirements appear as tax returns and other reporting requirements applicable to all organizations regardless of profit status, but may also include:

- submission of financial statements and records,
- notification of donations,
- annual report of activities and use of property and funds,
- publishing reports and records,
- self-assessment of tax status.

Percentage of countries with reporting requirements by income group



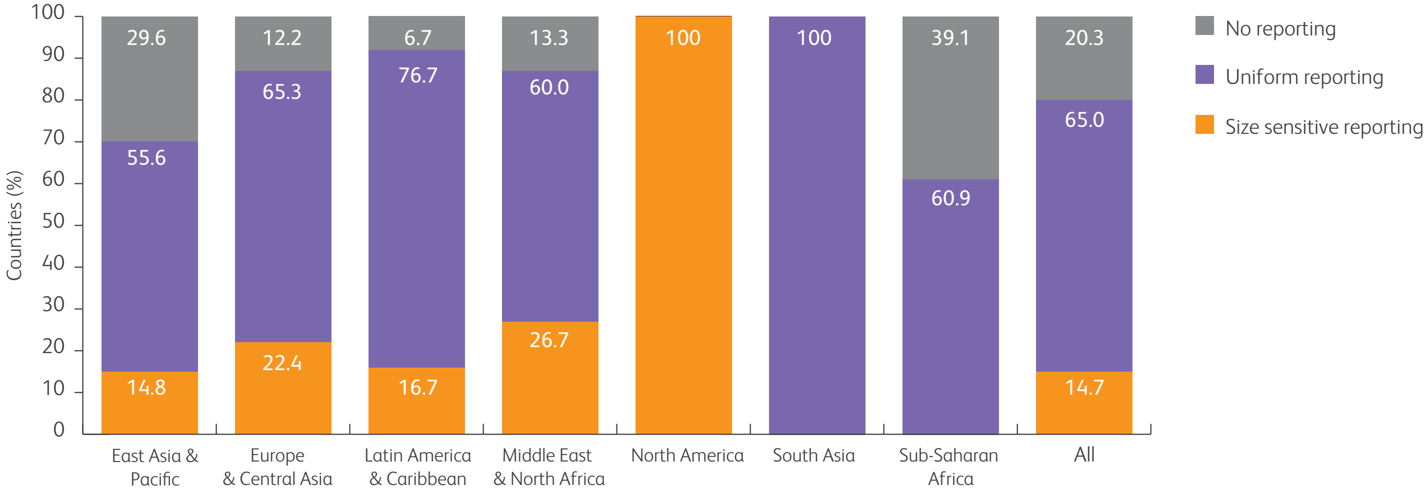
Base: 177 countries
Income groups defined by the World Bank

The percentage of countries with reporting requirements for NPOs is highest in High Income countries and tapers down with each lower income group, suggesting a clear link between wealth and regulatory complexity of the environment for giving. Globally, 80% of countries (141 countries) require reporting by NPOs. Sixty-five percent of Low Income countries have reporting requirements for NPOs, the smallest proportion of any income group, but still a majority. By contrast, 92% of High Income countries require non-profits to submit reports. This trend is perhaps not surprising as, in general, wealthy countries' governments have greater resources with which to develop and administer complex regulatory systems. In addition, it may also be that the higher proportion of wealthy countries requiring reporting from NPOs corresponds to more wealthy nations offering tax exemption for organizations and incentives for donors.

Our research reveals that very few countries have reporting requirements which are sensitive to the size of NPOs. Of countries with reporting requirements, only 18% (26 countries) are sensitive to size. It is striking that no Low Income countries have reporting requirements sensitive to size while 62% (16 countries) of countries with size-sensitive reporting requirements are High Income countries. Regional makeup of countries with size-sensitive reporting is also uneven, with Europe & Central Asia representing 42% and no countries in South Asia or Sub-Saharan Africa.

Regional comparison reveals more variation in reporting requirements. Only 61% of Sub-Saharan countries have reporting requirements, none with sensitivity to size. While only 70% of countries in the East Asia & Pacific region have reporting requirements, 15% have sensitivity to size. Contrastingly, all of the North American (100% size-sensitive) and South Asian countries (0% size-sensitive) have reporting requirements. We acknowledge the small number of countries in the latter two regions making 100% participation easier to achieve, but note higher rates of reporting requirements around 90% in the remaining regions with 17-27% size sensitivity despite variation in the number of countries within those regions.

Percentage of countries with reporting requirements by region

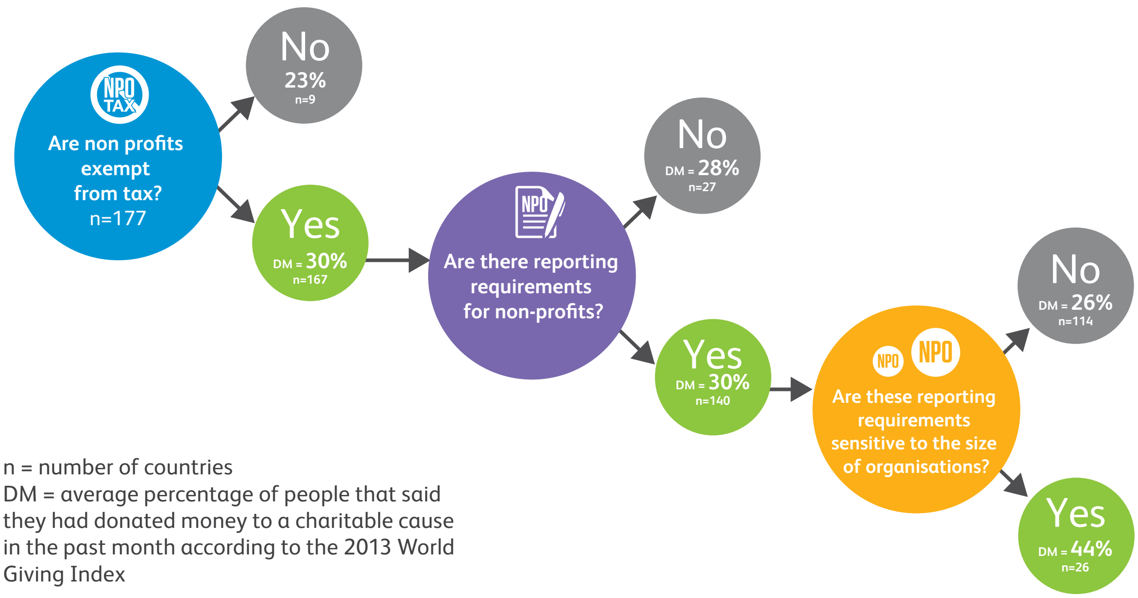


Base: 177 countries

Although only 26 countries have size-sensitive reporting requirements, we found that a number of countries have multiple categories for organizations engaging in philanthropic activity which are often more dependent upon the field of activity and goals than organization size. Reporting requirements may vary within those classifications, but that information is outside the scope of this report.

Impact of Legal Structure on Giving

Impact of philanthropic legal infrastructure



n = number of countries
DM = average percentage of people that said they had donated money to a charitable cause in the past month according to the 2013 World Giving Index

By comparing our findings against World Giving Index data for the proportion of people who regularly give to charitable causes in each country, we observe a positive relationship with the presence of more complex regulatory frameworks. Tax exemption for non-profits generally comes with the proviso that they at least file tax returns, and often means providing other information to the authorities. In nations that offer exemptions to non-profits, an average of 30% of people donated to charity in the month they were surveyed for the WGI. In nations with no exemption for non-profits, the proportion of people donating money falls to 23%, and to 28% when exemption exists but no reporting is required. Interestingly, people in countries with reporting requirements which are sensitive to the size of non-profits are more likely to give to charitable causes by 16 percentage points than those with uniform requirements.

Tax Incentives

In our research we aimed to ascertain in which countries corporate and individual donors can claim tax incentives on their donations. The country reports contain rich and varied detail on the tax incentives offered across the globe including:

- the value of tax incentives and whether they differ for certain causes,
- whether tax incentives are capped at a certain value or proportion of income,
- whether incentives take the form of deduction (a reduction of taxable income), credit (a reduction of tax due), or refund (return of tax paid), and
- if tax incentives are limited to donations to certain types of organizations or specific causes.

Though the above factors merit further analysis, in this report our aim is to take a macro approach. As such, for the purpose of this section, we have separated countries using a very simple rule:

Incentives are available: countries which offer ANY incentives will be defined as having tax incentives even if,

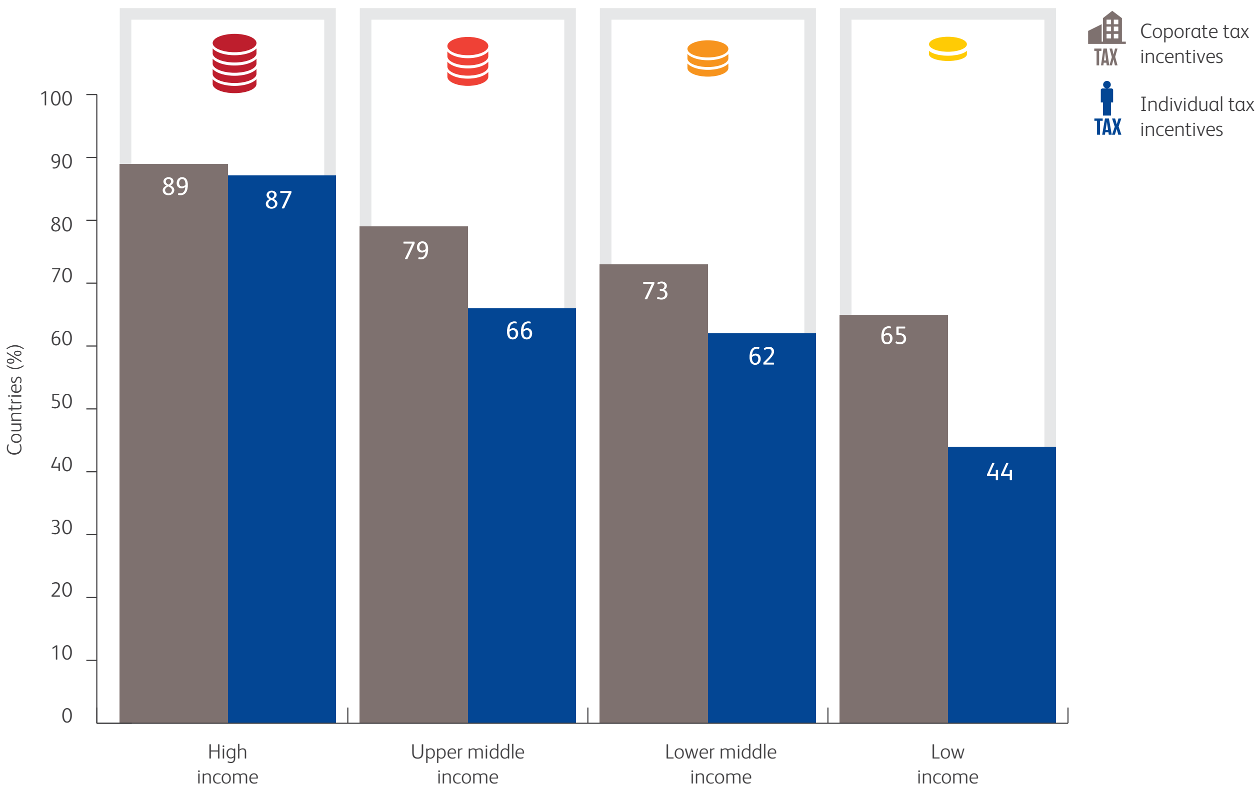
- the incentives which are offered are rarely available in practice,
- the incentives are only available when giving to certain forms of organization or to certain niche causes,
- the value of the incentives is extremely low.

No incentives are available: Countries will be said to have no incentives only if there is no instrument within the taxation system for claiming tax incentives at all.

In order to ensure the proper context for our analysis, we have removed those countries where the government does not impose any personal income or corporation tax.

Globally, some form of tax incentive is offered to corporate donors in 77% of nations whilst some form of incentive is offered by governments to encourage individual giving in 66% of countries (where corporation and personal income taxes are imposed). This clearly demonstrates a global consensus that charitable activity is beneficial to society. Indeed, tax incentives of some description are offered to corporate and individual donors in the majority of countries across all income groups with the exception of Low Income countries where a majority of countries offer incentives for corporate donors but only 44% offer incentives for individual donors.

Percentage of countries with tax incentives for corporate and individual donors by income group

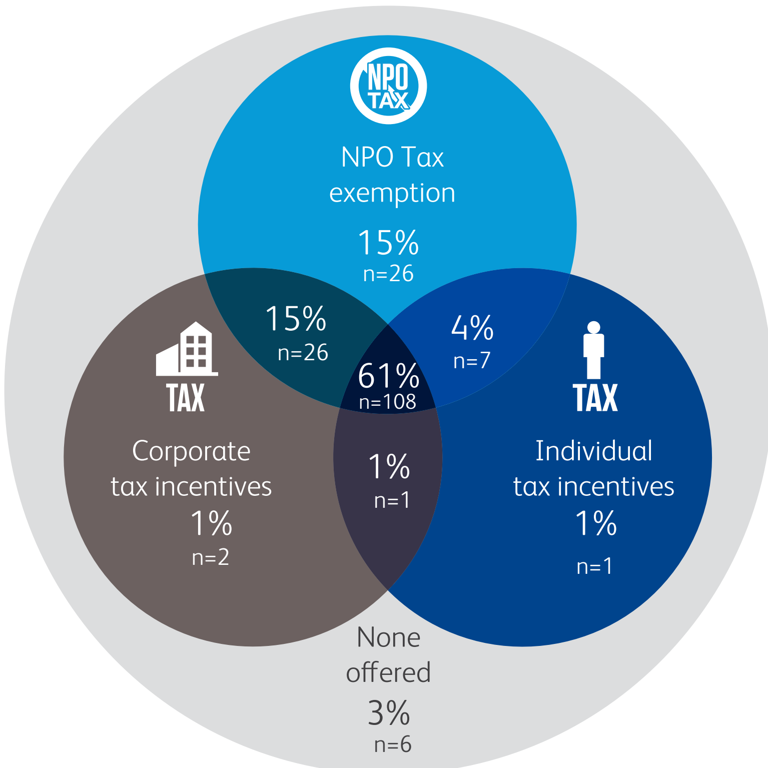


Base: 177 countries
Income groups defined by the World Bank

Unsurprisingly, there seems to be a clear relationship between the income group in which a country lies and the likelihood that tax incentives will be available for corporate and individual donors. Eighty-nine percent of High Income nations have incentives in place for corporate donors and 86% offer incentives for individuals. At the other end of the income scale, only 65% of Low Income countries have incentives for corporate donors and just 44% offer incentives for individuals. There are many factors which could explain this relationship, not least the fact that lower levels of wealth offer less motivation for developing a policy of incentivizing giving, less demand from potential donors, and fewer non-profit organizations to call for such a policy to be implemented.

As the diagram below shows, there is a strong relationship between the presence of incentives for both corporate and individual donors and tax exemptions for non-profits. Only 3 countries offer tax incentives to corporate donations (Belarus, Cyprus and Zimbabwe) and only one country offers incentives for individual donors (Mauritania), without offering tax exemption for non-profits (Cyprus offers incentives for both corporate and individual donors). It is surprisingly common for tax incentives to be offered to one donor type but not the other.

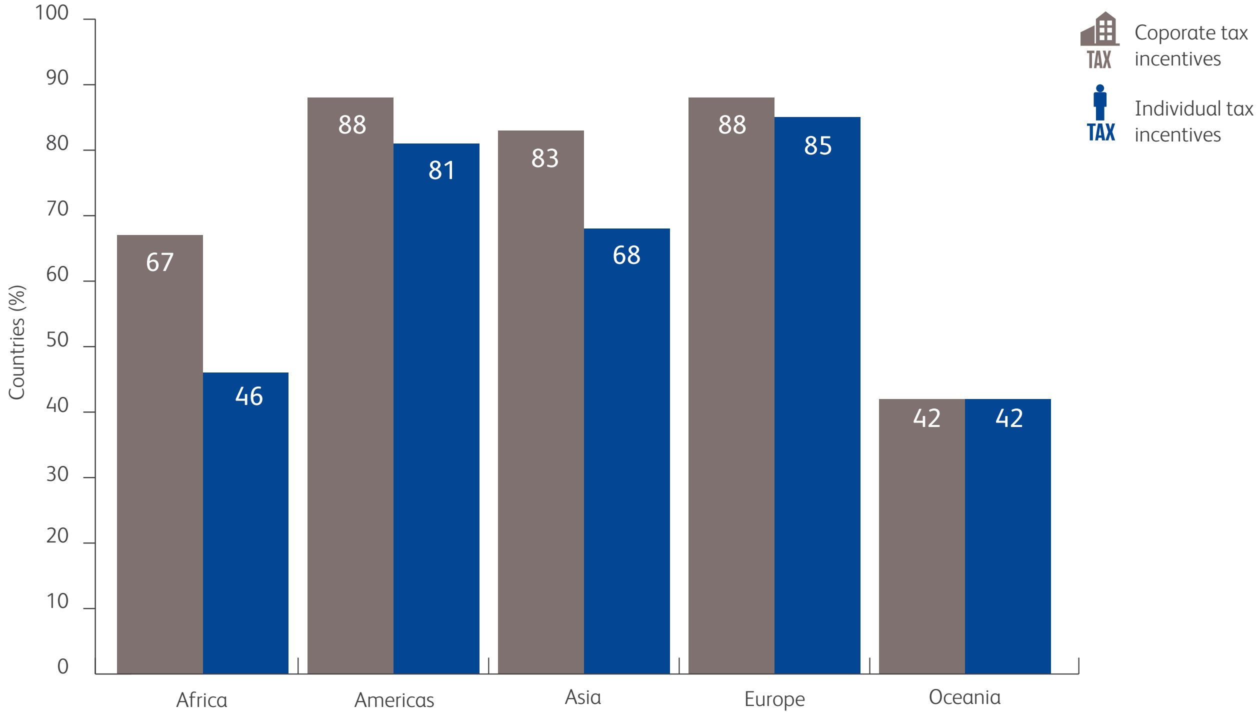
Percentage of countries with legal infrastructures for giving



Base: 177 countries   n= number of countries

According to our research, 28 countries offer tax incentives to corporate donors but offer no incentives for individuals. Five of these countries are located in Europe, accounting for a 3 percentage point gap in the availability of corporate and individual incentives. All but Finland were part of the Soviet Union and, including countries from Central Asia, 7 ex-soviet nations have tax incentives for corporate but not for individual donors. Seven countries in Asia have tax incentives for corporate donors but not for individuals, accounting for a gap of 15 percentage points between the availability of tax incentives for corporate and individual donors.

Percentage of countries with tax incentives for corporate and individual donors by continent



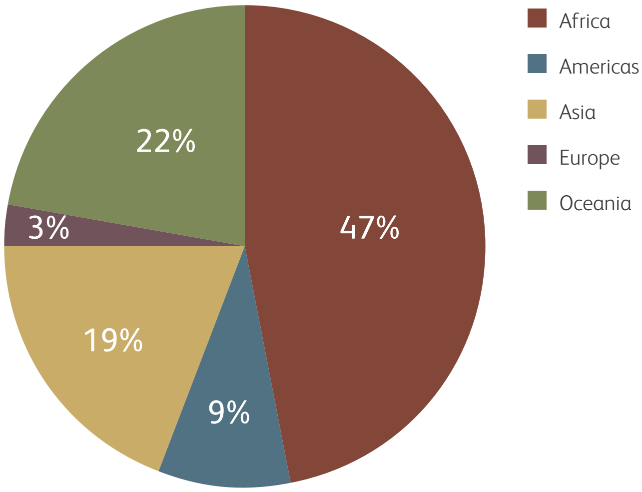
Base: 177 countries

Thirteen countries in Africa offer tax incentives for corporations but none for individual donors with all of those but Algeria located in Sub-Saharan Africa. This has resulted in a dramatic difference of 21 percentage points in the proportion of nations with incentives for corporate donors (67%) and those offering incentives for individuals (46%) in the region. Many of these countries are defined by the World Bank as Low Income nations but possess great natural resource wealth. It may be that the presence of large multinational companies influenced the development of tax incentives for corporations whilst low levels of individual wealth appeared to offer little immediate opportunity for incentivizing individual donors. Nevertheless, our research suggests that even Low Income countries could benefit from incentivizing individual giving (see Tax Incentives for Individuals), particularly as middle class wealth is projected to rise dramatically in the region over the next generation.

Interestingly, governments in 8 nations offer tax incentives for individual donors but not for corporations. Russia, Norway, Ecuador, Moldova, Mauritania, Namibia, Bhutan, and Greece are rare but interesting examples of jurisdictions in which corporations are not subject to the tax benefits offered to individual donors. Given the differences in economic, political and social circumstances of these nations there is no obvious factor linking them together.

Globally, there are 32 nations in which neither corporations nor individuals can receive tax incentives for donations of any kind. Sixty-three percent of these nations (22 countries) are defined by the World Bank as Low Income or Lower Middle Income countries, suggesting that either a broad underdevelopment of tax infrastructure or a perceived lack of demand from donors due to limited resources could be a factor in failing to offer incentives. Though we have excluded nations which do not impose personal income or corporation taxes from our data analysis in this section, it should be noted that Antigua and San Marino, which are High Income nations that offer no incentives, are low tax jurisdictions.

Location of countries offering no tax incentives for individual or corporate donors



Base: 32 countries

Effectiveness of Tax incentives for Individuals

In order to gain an understanding of the efficacy of tax incentives for individuals, we sought to establish whether a relationship exists between the proportion of people regularly donating money to charitable organizations and the availability of tax incentives. It is important to recognize that a relationship between incentives and the propensity of people to donate is not one in which we can demonstrate causation. It may well be, for example, that nations with a strong culture of charitable giving are more likely to develop incentives. Nevertheless, a strong relationship would suggest that tax incentives for individual donors should form part of an enabling environment for charitable giving.

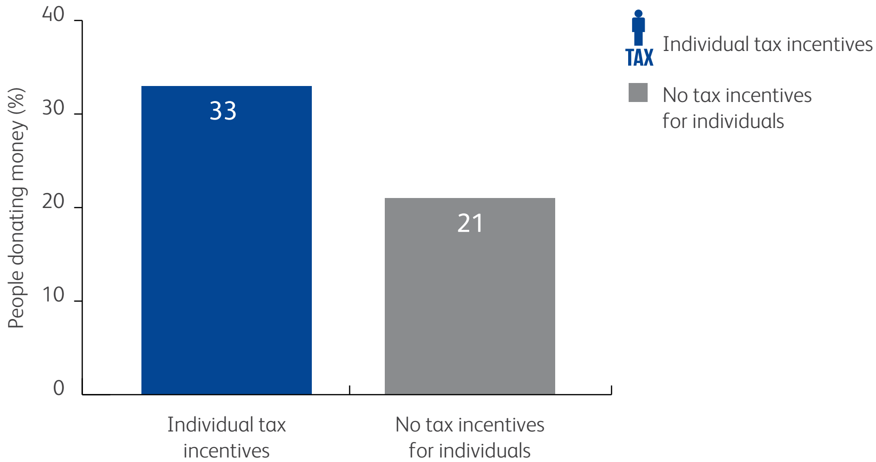
One of the most striking findings from our research on the presence of tax incentives has been the strong relationship between the availability of incentives for individual donors and the participation rate in giving money to charity (as reported in the 2013 World Giving Index).

The average proportion of people who had donated money to charitable organizations in the past month from when they were queried within nations that do not offer any tax incentives was 21% according to the World Giving Index. In nations that do offer some form of tax incentive, 33% said they had given money to charity. Though the 12 percentage point gap in the proportion of people giving money to charity between countries that do and don't offer tax incentives for individuals is interesting, without breaking down the data into income groups it is difficult to understand the relationship between wealth and incentives.

About the World Giving Index

The World Giving Index is the world's largest study of charitable engagement. Produced by the Charities Aid Foundation ("CAF") using survey data from the Gallup World Poll, the World Giving Index is able to determine what proportion of people give money to charity, volunteer their time, or help a stranger in 135 countries.

Percentage of population donating money and the availability of tax incentives for individuals

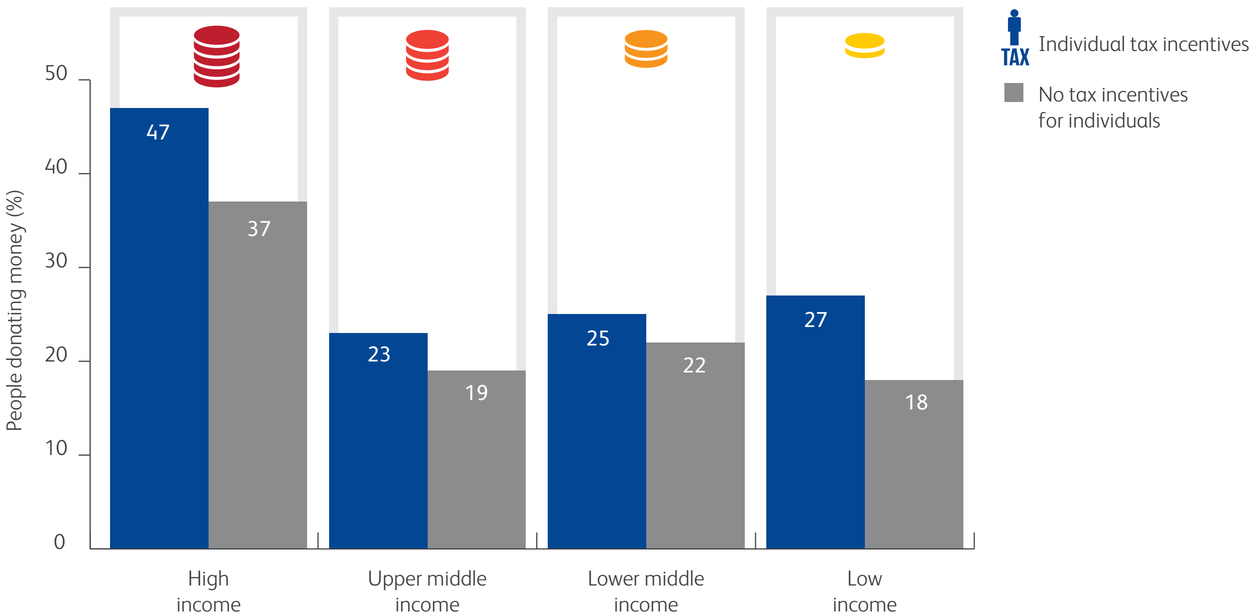


Base: 177 countries
Data on the average proportion of people donating money taken from the 2013 World Giving Index

When viewed within World Bank income groupings, the relationship between tax incentives for individuals and the proportion of people giving money to charity becomes clear. Our analysis reveals a striking relationship between incentives for individuals and charitable activity regardless of how wealthy nations are. Indeed, even in Lower Middle Income countries, the group that sees the lowest effect of tax incentives of participation in charitable giving, countries that offer incentives for individual donors enjoy a 3 percentage point lead over those who don't in terms of mass engagement in giving to charities.

High Income countries that offer tax incentives to individual donors enjoy significantly higher levels of participation in giving to charity. In High Income countries which offer tax incentives to individuals, the average proportion of people donating money to charity according to the 2013 World Giving Index was 47% compared with 37% in countries which offer no incentives to donors. However, the notion that as wealth rises, donors see more value in tax incentives, thereby increasing the effect and efficacy of incentives, is challenged by our data.

Percentage of people donating money and the presence of tax incentives for individuals by income group



Base: 177 countries
Income groups defined by the World Bank
Data on the average proportion of people donating money taken from the 2013 World Giving Index

Surprisingly, the income group that sees the largest effect appears to be Low Income countries where nations which offer tax incentives for individual donors see a participation rate of 27% – 9 percentage points higher than the rate of 18% seen in Low Income countries that offer no incentives for individuals. Such a strong relationship between charitable giving and the presence of tax incentives in Low Income countries suggests that those who see incentives as an instrument which should only be implemented at a later stage of the development of civil society may be relying on false assumptions. Clearly, more research is needed to gain a deeper understanding of the factors at play.

Different Incentives for Corporations and Individuals

Our research has revealed that of the 109 countries which offer tax incentives for both corporate and individual donors, 48 countries offer different incentives for each. As the RGB Index scoring system suggests, we do not see this as necessarily a positive or a negative factor in encouraging a culture of giving. It may be that legitimate reasons for adopting different incentives for corporations and individuals exist, and that these reasons are specific to local circumstances. Equally, it may be that in certain circumstances, having different incentives for corporations and individuals creates an impression of favoritism for one type of donor over another, and is as such detrimental to the development of a universal and inclusive culture of philanthropy.

In comparing the effect of having different incentives for corporations and individuals against World Giving Index data on the participation rates of individual donors, we find the results are inconclusive. Countries which offer the same system of tax incentives to companies and individuals see an average participation rate in giving money to charity equal to those with different incentives (29%).

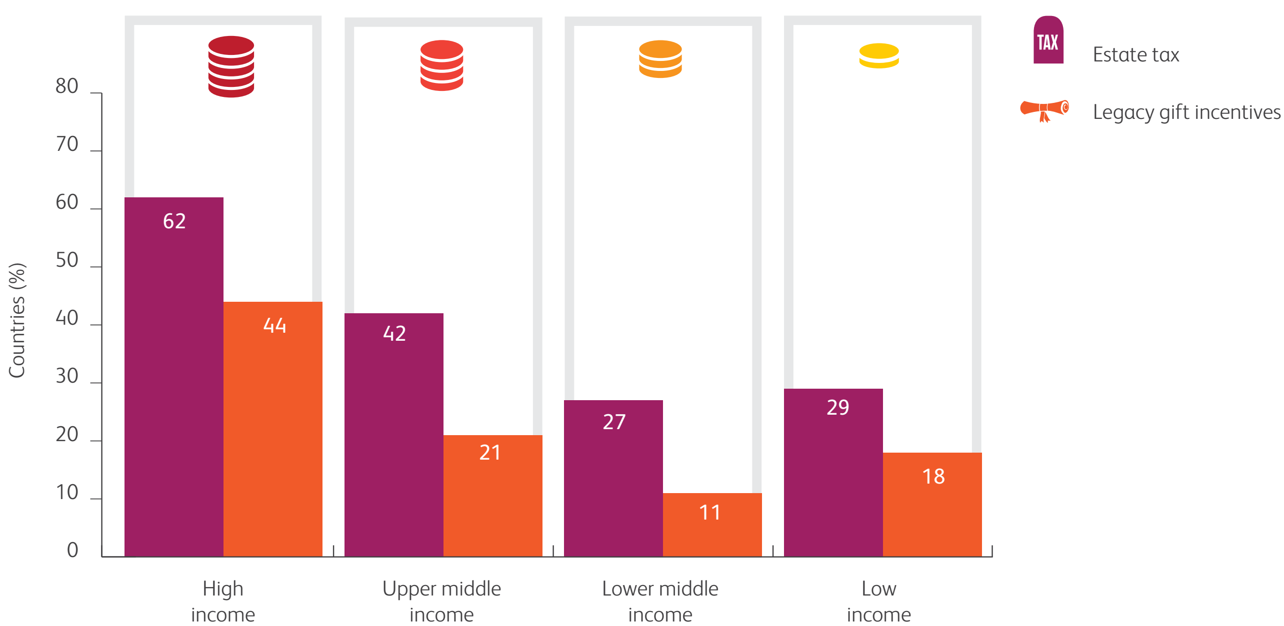
Estate Taxes and Incentives for Legacy Donations

Many countries impose an estate, death, or other transfer tax on the assets owned by an individual upon their death (collectively referred to as "estate tax"). Estate tax rates can be significant. For example, the current maximum estate tax rate in the United States is 40%. Because estate tax rates are generally high, a deduction or credit from estate tax for transfers made to charitable organizations can be an important incentive for major gifts to charity in the form of legacy gifts. When an individual may save significant taxes on their death for transfers made to a charity (versus paying a large tax for a transfer to individuals), there is an incentive to give to charity versus to family members or other individuals. An individual who would otherwise leave all assets to family members may be convinced to leave some or all of their estate to charity in order to save tax, particularly in instances where an individual's heirs are financially secure.

Question 7 of the survey asks "Finally, does there exist an 'estate tax' or some equivalent mechanism that encourages the creation of donor institutions?" We note that the mere existence of an estate tax is not particularly telling. However, the second part of the question is of great importance. The latter portion of question 7 addresses whether a tax incentive exists which would encourage the creation of donor institutions (i.e., an endowment fund for a charity or other major legacy gift to charity), and it is this type of incentive for which we have awarded points for this question. The incentive may be directed towards the estate or beneficiary to qualify in this index.

Our survey shows that 41% of countries reviewed impose an estate tax (72 counties), and 58% of those which impose an estate tax provide exemptions for charitable transfers (42 countries). The vast majority of countries which incentivize giving through exemptions from estate tax are High Income (20 countries) and Upper Middle Income (11 countries), with only 11 Lower Middle Income and Low Income countries imposing an estate tax and also offering tax incentives for legacy gifts.

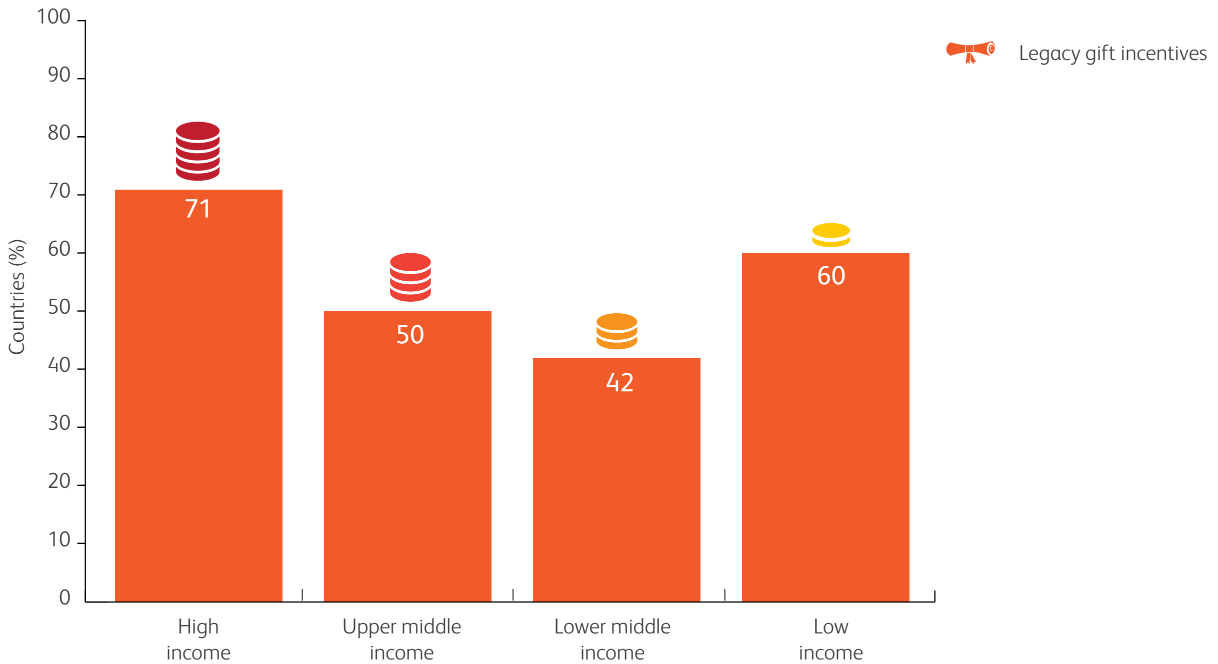
Percentage of countries that impose estate taxes and that impose estate taxes but also offer incentives for legacy donations by income group



Base: 177 countries
Income groups defined by the World Bank

Where an estate tax is imposed, higher income countries are more likely to offer exemption from taxation on legacy gifts to charity as illustrated in the below chart. This result may be reflective of the fact that, generally, estate taxes are only imposed on estates with significant assets (i.e., the United States does not impose federal estate taxes on estate's valued at less than $5.34 million[4]). An incentive based on estate tax savings may therefore have a greater impact in wealthier countries because a legacy gift to charity may be more effective where (i) an individual has sufficiently significant wealth that an estate tax would be imposed and (ii) where the financial well-being of an individual's heirs may be less of a consideration.

Percentage of the countries that impose estate taxes that offer incentives for legacy donations by income group



Base: 72 countries that impose estate taxes

Whilst lower income countries are generally less likely to impose estate taxes and then offer tax incentives for legacy gifts, Low Income countries perform better than Lower-Middle income countries on both measures. Furthermore, Low Income countries that impose estate taxes are more likely to offer exemptions of legacy gifts than Lower-Middle Income and also Upper-Middle Income countries by 18 percentage points and 10 percentage points respectively. However, given that only 10 Low Income countries impose estate taxes it should be acknowledged that drawing conclusions on such a small sample is problematic.

Rules to Give by Index in Alphabetical Order

Key
- Low Income
- Lower Middle Income
- Upper Middle Income
- High Income
- Tax regime
- NPO tax exemption
- NPO reporting
- NPO reporting sensitive to size
- Corporate tax incentives
- Individual tax incentives
- Different incentives for corporations and individuals
- Estate tax
- Donations after death exempt

Country	Income	Tax regime	NPO tax exemption	NPO reporting	NPO reporting sensitive to size	Corporate tax incentives	Individual tax incentives	Different incentives for corporations and individuals	Estate tax	Donations after death exempt	Score
Afghanistan	Low Income	✓	✓	✓							3
Albania	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Algeria	Upper Middle Income	✓	✓	✓		✓		✓	✓		6
Angola	Upper Middle Income	✓	✓	✓		✓		✓	✓		6
Antigua and Barbuda	High Income	✓	✓	✓							3
Argentina	Upper Middle Income	✓	✓	✓		✓	✓				9
Armenia	Lower Middle Income	✓	✓	✓		✓	✓	✓			9
Australia	High Income	✓	✓	✓		✓	✓		✓	✓	10
Austria	High Income	✓	✓	✓	✓	✓	✓				10
Azerbaijan	Upper Middle Income	✓	✓	✓					✓	✓	4
Bangladesh	Low Income	✓	✓	✓		✓	✓	✓			9
Barbados	High Income	✓	✓	✓	✓	✓	✓				10
Belarus	Upper Middle Income	✓				✓		✓			3
Belgium	High Income	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Belize	Upper Middle Income	✓	✓			✓	✓				8
Benin	Low Income	✓	✓	✓		✓	✓	✓	✓		9
Bhutan	Lower Middle Income	✓	✓	✓			✓	✓			6
Bolivia (Plurinational State of)	Lower Middle Income	✓	✓	✓		✓	✓		✓	✓	10
Bosnia and Herzegovina	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Botswana	Upper Middle Income	✓	✓	✓					✓		3
Brazil	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Bulgaria	Upper Middle Income	✓	✓	✓		✓	✓	✓	✓	✓	10
Burundi	Low Income	✓	✓	✓		✓	✓				9

Country	Score
Cabo Verde	9
Cambodia	6
Cameroon	6
Canada	11
Central African Republic	6
Chad	4
Chile	10
China	10
Colombia	10
Comoros	6
Congo	6
Congo (Democratic Republic of the)	2
Costa Rica	9
Côte D'Ivoire	2
Croatia	9
Cyprus	6
Denmark	11
Djibouti	0
Dominica	9
Dominican Republic	6
Ecuador	6
Egypt	10
El Salvador	10
Equatorial Guinea	8
Eritrea	0
Estonia	9
Ethiopia	6

Country	*Score*
Fiji	9
Finland	6
France	11
Gabon	6
Gambia	2
Georgia	6
Germany	11
Ghana	6
Greece	7
Grenada	10
Guatemala	9
Guinea	9
Guinea-Bissau	2
Guyana	9
Haiti	9
Honduras	9
Hungary	9
Iceland	9
India	9
Indonesia	10
Iran (Islamic Republic of)	10
Iraq	3
Ireland	11
Israel	10
Italy	11
Jamaica	9
Japan	10

Country	*Score*
Jordan	10
Kazakhstan	9
Kenya	9
Kiribati	3
Korea (Democratic People's Republic of)	0
Korea (Republic of)	9
Kyrgyzstan	6
Lao (People's Democratic Republic)	5
Latvia	9
Lebanon	6
Lesotho	3
Liberia	9
Libya	9
Liechtenstein	9
Lithuania	6
Luxembourg	10
Macedonia (The former Yugoslav Republic of)	7
Madagascar	9
Malawi	9
Malaysia	9
Maldives	9
Malta	10
Marshall Islands	3
Mauritania	3
Mauritius	8
Mexico	9

Country	Score
Micronesia (Federated States of)	0
Moldova (Republic of)	5
Mongolia	10
Montenegro	9
Morocco	9
Mozambique	5
Myanmar	8
Namibia	6
Nepal	3
Netherlands	10
New Zealand	9
Nicaragua	3
Niger	2
Nigeria	6
Norway	5
Pakistan	9
Palau	0
Panama	9
Papua New Guinea	10
Paraguay	9
Peru	9
Philippines	10
Poland	9
Portugal	9
Qatar	6
Romania	9
Russian Federation	7

Country	*Score*
Rwanda	9
Samoa	2
San Marino	3
São Tomé and Príncipe	3
Senegal	8
Serbia	6
Seychelles	2
Sierra Leone	3
Singapore	11
Slovakia	9
Slovenia	10
Solomon Islands	3
Somalia	2
South Africa	10
South Sudan	9
Spain	9
Sri Lanka	9
St. Lucia	8
St. Vincent and the Grenadines	7
Sudan	6
Suriname	1
Swaziland	8
Sweden	10
Switzerland	11
Syrian Arab Republic	10
Tajikistan	9
Tanzania (United Republic of)	9

Country	Score
Thailand	9
Timor-Leste	9
Togo	3
Tonga	9
Trinidad and Tobago	9
Tunisia	8
Turkey	10
Turkmenistan	3
Tuvalu	2
Uganda	8
Ukraine	10
United Kingdom of Great Britain and Northern Ireland	11
United States of America	11
Uruguay	6
Uzbekistan	6
Venezuela (Bolivarian Republic of)	10
Viet Nam	8
Yemen	9
Zambia	9
Zimbabwe	3

Not scored in the index

Country		*Score*
Andorra		*
Bahamas		*
Bahrain		*
Brunei Darussalam		*
Burkina Faso		**
Cuba		**
Czech Republic		**
Kuwait		*
Mali		**
Monaco		*
Nauru	Unclassified	*
Oman		*
Saudi Arabia		*
St. Kitts and Nevis		*
United Arab Emirates		*
Vanuatu		*

* These countries do not receive a score in the index due to the fact that they do not impose taxes and therefore are not in a position to offer tax incentives.

** These countries do not receive a score because information is missing in our research or the results were inconclusive.

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