Donations in Other Countries

Are they tax-deductible?

Our national and international networks of professionals support our clients’ priorities across the exempt healthcare, higher education, development and government, non-governmental organizations (NGOs), and commercial sectors.

About KPMG

KPMG LLP’s (KPMG) Development & Exempt Organizations (DEO) practice can help tax-exempt organizations and their for-profit affiliates manage risks, capitalize on opportunities, and navigate these changing times—both at home and abroad.

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About Global Impact

Global Impact is a leader in growing global philanthropy. Since 1956, Global Impact has generated more than $1.7 billion to help the world’s most vulnerable people. Global Impact equips private sector and nonprofit sector organizations to achieve their philanthropic goals by providing revenue diversification strategies, employee engagement programs, CSR strategies, and custom philanthropic funds. Global Impact serves as the secretariat of Global Health Council, the Hilton Prize Laureates and the Central America Donors Forum. The organization also serves as administrator for one of the world’s largest workplace giving campaigns, the Combined Federal Campaign-Overseas. Through these partnerships, Global Impact meets real needs with real results by supporting programs focused on clean water, disaster relief and resiliency, economic development, education, environmental sustainability, global health and child survival, human trafficking, hunger, and women and girls.

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Background

Through its Signature Fund programs, Global Impact strategically supports charity partners in engaging supporters and attracting donors worldwide in order to grow global philanthropy. Global Impact commissioned KPMG to identify the registration, fiduciary, and legal requirements and availability of tax deductions for charitable contributions in a number of different countries.

The publication reflects the findings of this analysis and recommendations regarding potential options for receiving and distributing funds to grantees based either in-country or out of country. The options reflect the feasibility in each country for the use of an intermediary/partner including:

- U.S.-based fiscal agent
- Global fiduciary agent with a charitable purpose
- Local entity such as a bank, nongovernmental organization or association, where it may be required

This analysis was conducted in the following 43 countries:

- Australia
- Austria
- Brazil
- China
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Hong Kong
- India
- Indonesia
- Iran
- Italy
- Japan
- Jordan
- Kazakhstan
- Kuwait
- Lebanon
- Libya
- Malaysia
- Mexico
- Myanmar
- New Zealand
- Norway
- Pakistan
- Philippines
- Poland
- Qatar
- Romania
- Russia
- Singapore
- South Africa
- South Korea
- Spain
- Sweden
- Switzerland
- Thailand
- Taiwan
- The Netherlands
- Turkey
- United Arab Emirates
- United Kingdom

Each country was asked the following questions:

1. Does the tax code allow tax deductions for charitable contributions in your country?

2. If yes, must the contribution be made to a local entity?

3. If the contribution must be to a local entity, must the funds be used locally or can the local entity distribute funds to a U.S. charity operating locally or globally?

4. Is tax relief for charitable donations available to individuals, corporations, or both?

U.S. organizations may consider applying for registration or obtaining permission/approval from local regulatory bodies on making a local contribution in certain countries. However, prior to making contributions to a local entity, further analysis on local requirements should be conducted depending on the nature of the contribution and whether or not tax-deductibility is desired.

In some cases, there are actions that a U.S. charity can consider that will allow the organization to receive tax-deductible contributions as a local entity, for example, in the following countries:

- Australia: U.S. charities may apply for registration with Australian Charities and Not-for-profits Commission (ACNC) to be considered a deductible recipient in Australia.
- India: To receive tax-deductible contributions under the Indian income tax laws, a local entity must be established in the form of a Trust, Society/Not for Profit company, etc. The local entity would need to obtain required registrations with the Indian income tax authorities.
- Spain: The U.S. Charity would be required to comply with all the requirements in Spanish law which, among other requirements, requires the registration in Spain of a delegation of the charity within the Spanish foundations registry or directly setting up a charity in Spain.

Sample Solutions

- Background
- Each country was asked the following questions:
- Tax Deductions for Charitable Contributions
- European Union (EU) and the Economic European Area (EEA)
- Global vs. Local
- Individuals vs. Corporations

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