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Bishkek city
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**THE LAW OF THE KYRGYZ REPUBLIC
“On Philanthropy and Charitable activity”**

Chapter I. General provisions

Chapter II. Conditions and procedure for carrying out the activity of philanthropists and charitable organizations

Chapter III. State guarantees for philanthropy and charitable activity

Chapter IV. Concluding provisions

**CHAPTER I.
GENERAL PROVISIONS**

Article 1. Purposes of philanthropy and charitable activity

Philanthropy – unselfish, free of charge assistance carried out by citizens or legal entities in the sphere of art, science, culture and education, awareness-raising, expressed in transfer to citizens or legal entities of property, including cash means.

Philanthropy shall be carried out for the preservation, creation and dissemination of spiritual values in the society and thus promotes the development of creativity and spirituality of an individual.

Charitable activity – a voluntary activity of citizens or legal entities carried out on unselfish (free of charge or on easy terms) basis transfer of property, including cash means, to citizens or legal entities, on unselfish fulfillment of work, rendering services and other types of support.

Charitable activity shall be carried out for the following purposes:

- social support and protection of citizens, including improvement of material conditions of indigents, social rehabilitation of unemployed, disabled persons and other persons who due to their physical and (or) intellectual peculiarities, other circumstances are not able to independently enjoy their rights and lawful interests;
- providing assistance to victims of natural disasters, ecological, industrial or other disasters, social, national and religious conflicts, as well as to forced displaced persons;
- promoting the consolidation of peace, friendship and understanding among nations, and preventing social, national and religious conflicts;
- promoting activity in the sphere of education, science, culture, art, awareness-raising and spiritual development of an individual;
- promoting protection of maternity and childhood;
- promoting the activity in the sphere of prevention and protection of health of citizens, as well as advocacy of healthy life-style, improvement of the moral and psychological condition of citizens;
- promoting the activity in the sphere of physical culture and sports;
- protecting the environment and animals;
- protecting and preserving buildings, establishments and territories of historical, religious, cultural or environmental significance, as well as burial places.

Transfer of cash means and other material means, providing assistance in other forms to commercial organizations, as well as support of political parties, movements, groups and companies shall not be considered as charitable activity.

Article 2. Legislation on philanthropy and charitable activity

Legislation on philanthropy and charitable activity shall consist of the corresponding provisions of the Constitution of the Kyrgyz Republic, Civil Code of the Kyrgyz Republic, the present Law, laws and other normative legal acts of the Kyrgyz Republic, adopted in compliance with the present Law.

The norms of other laws that regulate philanthropy and charitable activity shall not contradict the present Law.

If an international treaty of the Kyrgyz Republic establishes other rules than those stipulated in the present Law, the rules of the international treaty shall apply.

Article 3. The right to carry out philanthropy and charitable activity

Citizens and legal entities shall have the right freely to carry out philanthropy and charitable activity directly and through charitable organizations on voluntary basis and freedom of choice of goals.

Citizens and legal entities shall have the right freely to carry out philanthropy and charitable activity individually or jointly with or without formation of philanthropy or charitable organizations.

No one has the right to restrict freedom of choice of goals of philanthropy and charitable activity, provided by the present Law and forms of their fulfillment.

Article 4. Philanthropists and participants of charitable activity

Philanthropists for the purposes of the present Law shall be citizens carrying out philanthropy activity.

Participants of charitable activity for the purposes of the present Law shall be citizens and legal entities carrying out charitable activity including through the support of existing or creation of new charitable organization, as well as citizens and legal entities in the interests of whom such charitable activity is carried out.

Article 5. Charitable organization

Charitable organization shall be a non-governmental (non-commercial) organization created for implementation of purposes stipulated in the present Law by means of executing charitable activity in the interests of society in general and certain categories of persons.

Article 6. Forms of charitable organizations

Charitable organizations can be created in the form of public organizations (associations), foundations, institutions and in other forms.

Charitable organization can be created in the form of an institution if its founder is a charitable organization.

Charitable organization shall be international if it carries out its activity on the territory of two or more states through its branches, representative offices or institutions.

Procedure for creation and liquidation of charitable organizations shall be determined by the legislation of the Kyrgyz Republic.

CHAPTER II. CONDITIONS AND PROCEDURE FOR CARRYING OUT THE ACTIVITY OF PHILANTHOPISTS AND CHARITABLE ORGANIZATIONS

Article 7. Activity of philanthropists and charitable organization

Philanthropists shall have the right to carry out their philanthropy activity directed for the achievement of goals provided by the present Law.

Charitable organization shall have the right to carry out charitable activity directed for the achievement of purposes for which it was created, as well as charitable activity directed for the achievement of the purposes provided by the present Law.

Charitable organization shall have the right to carry out activity on attraction of resources and non-operational activities.

Charitable organization shall have the right to carry out economic activity only for the achievement of the goals for which it was created and corresponding these goals.

Charitable organization shall have the right to establish economic companies for the creation of material conditions for the realization of charitable purposes. Participation of charitable organizations jointly with other persons in economic companies shall not be admitted.

Charitable organization shall not have the right to spend its cash means and use its property for the support of political parties, movements, groups and campaigns.

Article 8. Sources for formation of property of charitable organization

The sources of formation of property of charitable organization shall be:

fees of the founders of charitable organization;

membership fees (for charitable organizations based on membership);

charitable endowments, including those with target purpose (charitable grants), given to citizens and legal entities in monetary or natural form;

incomes from the non-operational activities, including incomes from securities;

inflows from the activity on attraction of resources (conducting campaigns on engaging philanthropists and volunteers, including the organization of entertaining, cultural, sport and other mass events, conducting campaigns on collection of charitable endowments, conducting lotteries and auctions in accordance with the legislation of the Kyrgyz Republic, sale of the property and endowments received from philanthropists according to their wishes);

incomes from the economic activity allowed by the law;

incomes from the activity of economic companies established by charitable organization;

labor of volunteers.

The allocation of funds from the republican and local budgets, out-of-budget funds of state bodies for charitable organizations shall be prohibited.

Article 9. Property of charitable organization

Buildings, constructions, equipment, cash means, securities, information resources and other property, if the otherwise is not stipulated by the laws of the Kyrgyz Republic, the results of

intellectual activity can be owned or upon other proprietary interest belong to charitable organization.

Charitable organization can make any deals, in relation to its property or other proprietary interest of the property, not contradicting the legislation of the Kyrgyz Republic, the Charter of the given organization, and wishes of philanthropist.

Charitable organization shall not have the right to use more then 2% of financial means spent by the organization within the fiscal year for labor remuneration of the administrative and managerial personnel. This restriction shall not apply to labor remuneration of persons, participating in the implementation of charitable programs.

If the otherwise is not stipulated by philanthropist or charitable program, not less then 98% of charitable endowment in monetary form shall be used for charitable purposes within the year from the moment of obtaining the endowment by charitable organization. Charitable endowments in natural forms shall be directed for charitable purposes within a year from the moment of obtaining them if the otherwise is not stipulated by philanthropist or charitable program.

The property of charitable organization can not be transferred (by means of sales, payment of goods, works, and services or in other forms) to founders (members) of the given organization on conditions of more favorable terms, than to other persons.

Article 10. Charitable program

Charitable program shall be a package of measures approved by the supreme governing body of charitable organization that is directed for the achievement of specific objectives that correspond the charter goals of the given organization.

Charitable program shall include calculations of expected inflows and planned expenditures (including payment of persons participating in the implementing of charitable program), and shall set stages and terms of its implementation.

Not less than 98% of received income within the fiscal year from the non- operational activities, inflows from economic companies established by charitable organization and income from economic activity allowed by the law shall be used for the financing of charitable program (including expenses on its material and technical, organizational and other maintenance, labor remuneration of persons participating in implementation of the charitable program and other expenditures related to the realization of charitable program). During the implementation of long term charitable program the received cash means shall be used within the terms set by these programs.

CHAPTER III.

STATE GUARANTEES FOR PHILANTHROPY AND CHARITABLE ACTIVITY

Article 11. Support of philanthropy and charitable activity by state bodies and bodies of local self-administration

Protection of rights and lawful interests of citizens and legal entities- philanthropists and participants of charitable activity, provided for by the legislation of the Kyrgyz Republic shall be guaranteed and secured.

Governmental officials, hindering the enjoyment of rights of citizens and legal entities to carry out philanthropy and charitable activity, shall bear responsibility in accordance with legislation of the Kyrgyz Republic.

State bodies and bodies of local self-administration, recognizing the social importance of philanthropy, may provide philanthropists the following privileges:

- representing to a title of “an honorable citizen of the city”;
- to give the right for nominal name of activities of philanthropists and for reward by honorable distinctions and awards.

State bodies and bodies of self-administration, recognizing the social importance of charitable activity, can provide the participants of charitable activity with support on the following forms:

providing in compliance with the laws of the Kyrgyz Republic benefits in payment of taxes, customs and other duties and payments as well as other benefits;

material and technical support and subsidizing charitable organizations (including full or partial exemption from payment of services rendered by state organizations, as well as from payment for the use of state property);

financing on a competitive basis of charitable programs developed by charitable organizations;

transfer of state property to charitable organizations free of charge or on easy terms in the process of its denationalization and privatization implemented in the procedure provided by the legislation.

For the support of charitable activity and for interaction of state bodies and bodies of local self-administration with charitable organizations, can be created councils (committees) for the support of charitable activity, which shall be consisted of representatives of legislative and executive branches of power, charitable organizations, public organizations, as well as public figures. The given councils (committees) shall not have power in relation to participants of charitable activity, their decisions shall be of recommendation character.

It shall be prohibited to provide with benefits selected charitable organizations, their founders (members) and other participants of charitable activity.

Charitable organization shall obtain the right for tax and other benefits, established by the legislation, from the moment of its state registration.

Article 12. Control over charitable activity

Charitable organization shall provide an open access to its annual reports to the mass media.

Information on the amounts and structure of incomes of charitable organization, as well as information on the amounts of its property, its expenditures, number of employees, labor remuneration and on engagement of volunteers shall not be deemed as commercial secret.

Control over the financial and economic activity shall be executed in accordance with the legislation of the Kyrgyz Republic.

CHAPTER IV. CONCLUSIVE PROVISIONS

Article 13. Responsibility of charitable organization

In case of violation of the present Law charitable organization shall be responsible in accordance with the legislation of the Kyrgyz Republic.

In case of committing actions by charitable organization that contradict its goals and the present Law, the body that registered the given charitable organization can send a warning in written form.

In case of committing actions by charitable organization that contradict its goals and the present Law, the authorized bodies shall send a warning in written form.

In case of conducting public campaigns on collection of endowments, charitable organization shall be obliged to publish annually a report on the amounts of collected endowments and their use in the official press.

In case of repeated warnings of charitable organization in written form, it can be liquidated in the procedure provided by the legislation of the Kyrgyz Republic.

Article 14. International charitable activity

Participants of charitable activity shall have the right to carry out international charitable activity in the procedure established by the legislation of the Kyrgyz Republic and international treaties of the Kyrgyz Republic.

International charitable activity shall be implemented through participation in the international charitable projects, in the work of international charitable organizations, mutual cooperation with foreign partners in the corresponding sphere of charitable activity, as well as in any other form accepted in the international practice that does not contradict legislation of the Kyrgyz Republic and norms and principles of the international law.

Charitable organization shall have the right to open bank accounts in other countries in accordance with the legislation of the Kyrgyz Republic.

Charitable organization shall have the right to obtain charitable endowments from foreign citizens, stateless persons as well as from foreign and international organizations. Such endowments shall be used in the procedure set by the present Law.

Article 15. Charitable activity of foreign citizens, stateless persons, foreign and international organizations on the territory of the Kyrgyz Republic

Foreign citizens, stateless persons, foreign and international organizations shall have the right to act as participants of charitable activity on the territory of the Kyrgyz Republic in accordance with the present Law.

Article 16. Entering into force of the present Law

The present Law shall enter into force from the moment of its publication.

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The President of the Kyrgyz Republic A. Akaev

Adopted by the Legislative Assembly
of the Jogorku Kenesh of the Kyrgyz Republic on October 11 of 1999.