

## Global trends in the legal environment for cross-border philanthropy

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Lily Liu, Legal Advisor

([liliu@icnl.org](mailto:liliu@icnl.org))

## Overview

1. Legal restrictions on cross-border philanthropy
  - a) INFLOW restrictions
  - b) OUTFLOW restrictions
2. Positive trends in cross-border philanthropy

## Legal restrictions on cross-border philanthropy

3 types of INFLOW restrictions

1. Use of anti-money laundering/countering terrorist financing (AML/CTF) laws to restrict CSOs that receive foreign funding
2. Government as gatekeeper for WHO can receive foreign funding
3. Stigmatization of receipt of foreign funding

## Legal restrictions on cross-border philanthropy: AML/CTF laws

Two ways:

1. Use AML/CTF laws to target CSOs and staff working on sensitive issues
2. Broadly apply AML/CTF laws to the non-profit sector, creating administrative barriers to accessing foreign funding (registration & reporting requirements)

## Legal restrictions on cross-border philanthropy: governments as gatekeepers

- Require approval from the state before receiving foreign funding:
  - For each foreign contribution or project, or
  - For organizations that receive any foreign funding

## Legal restrictions on cross-border philanthropy: stigmatizing receipt of foreign funding

- Foreign agent laws
  - Question legitimacy of CSOs receiving foreign funding
  - Impose burdensome processes to access foreign funding
  - Government discretion to approve funds
- Influenced by the U.S.'s Foreign Agent Registration Act (FARA)

## Legal restrictions on cross-border philanthropy: outflow restrictions

- Sanctions can interfere with responses to crises
- Afghanistan; Ukraine

## Positive trends in cross-border philanthropy

Three positive developments:

- (1) Shift towards generalized support (vs. project-specific support)
- (2) Promoting institutional development of CSOs
- (3) Recognition of importance of funding civic space initiatives



Thank you!

Lily Liu (lliu@icnl.org)