



**LILLY FAMILY  
SCHOOL OF PHILANTHROPY**  
INDIANA UNIVERSITY

# The 2025 Global Philanthropy Environment Index Kyrgyz Republic

**Expert<sup>1</sup>:** Mahmoud Abdelkarim<sup>2</sup>

Edited by the Indiana University Lilly Family School of Philanthropy

## QUICK FACTS

**Legal forms of philanthropic organizations included in the law:** Association, Foundation

**Five main social issues addressed by these organizations:** Basic Needs, Early Childhood Education through High School, Food, Health and Medical Research, Human Rights

**Average time established by law to register a philanthropic organization:** 0-30 days

**Average cost for registering a philanthropic organization:** USD 50

**Government levels primarily regulating the incorporation of philanthropic organizations:** Central/Federal Government

## PHILANTHROPIC ENVIRONMENT SCORES

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
<b>2025 GPEI</b>	4.33	3.25	3.50	2.50	2.50	4.00	3.35
<b>2022 GPEI</b>	4.0	3.0	3.5	2.5	2.0	3.0	3.0
<b>2018 GPEI</b>	4.17	3.25	3.0	3.0	N/A	2.50	3.18

**Source:** Indiana University Lilly Family School of Philanthropy, 2025 *Global Philanthropy Environment Index*

<sup>1</sup> Authors of the 2025 *GPEI* report are providing updated narratives and scores to the 2022 *GPEI* report.

<sup>2</sup> CEO, LLC NICE KG

## KEY FINDINGS

### I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

*The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.*

**Question One:** To what extent can individuals form and incorporate the organizations defined?

<b>Score: 5.0</b>
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The legal framework for registering philanthropic organizations in the Kyrgyz Republic is governed by the Law on Non-commercial Organizations, established in 1999. This legislation provides a foundation that allows for the establishment of philanthropic entities without encountering significant restrictions. Specifically, there are no obstacles in terms of forming a philanthropic organization (PO) or defining its purpose within the bounds of the law. Notably, the Law on Non-commercial Organizations does not impose restrictions on potential founders, whether they are legal entities or individuals. It distinguishes between three types of non-commercial organizations: foundations, public associations, and establishments. According to Article 2 of the Law on Noncommercial Organizations, both legal entities and individuals with legal capacity are eligible to serve as founders of non-commercial organizations, regardless of their place of registration or citizenship. Importantly, the law does not mandate a minimum capital or asset requirement for establishing such organizations. Moreover, the documentation required for establishing a non-commercial organization is reasonable and not excessively burdensome, inclusive of Information about the founders, the official name of the organization, details regarding the legal address, passport details of the director, and information about the supervisory board.. Typically, this includes essential details such as the organization's name and address, a list of stakeholders, asset valuation, the organization's charter, and contact information for its leaders. While there are some obligatory follow-up procedures, such as registration with the Pension Fund, tax authorities, and the statistics committee, these are generally straightforward and not overly complicated. Overall, the legal framework outlined in the Law on Non-commercial Organizations supports the establishment of philanthropic entities in the Kyrgyz Republic, with provisions that prioritize inclusivity, simplicity, and transparency throughout the registration process.

**Question Two:** To what extent are POs free to operate without excessive government interference?

<b>Score: 4.0</b>
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Philanthropic organizations (POs) in the Kyrgyz Republic generally operate with a reasonable degree of autonomy, enjoying freedom from excessive government interference. While the government plays a regulatory role in overseeing PO activities to ensure compliance with relevant laws and regulations, there is typically no systematic pattern of interference that would hinder the day-to-day operations of these organizations. As long as POs adhere to legal requirements and fulfill their obligations, they are generally able to carry out their philanthropic activities without undue government intervention.

**Question Three:** To what extent is there government discretion in shutting down POs?

<b>Score: 4.0</b>
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In the Kyrgyz Republic, philanthropic organizations have the authority to voluntarily cease their operations through the decision-making process of their governing body. Involuntary termination by governmental bodies only occurs in cases of severe violations, where the government exercises discretion in offering opportunities for corrective action. While clear and equitable legal guidelines exist for the involuntary dissolution of organizations, their implementation is inconsistent. It is worth noting that many instances have demonstrated that involuntary dissolution occurs without significant issues. However, it is essential for philanthropic organizations to adhere to certain requirements, including the submission of disclaimers and financial reports. These reports must confirm that all income generated by the organization has been utilized for philanthropic activities. Additionally, founders of philanthropic organizations are prohibited from accessing the organization's capital for personal use. (Source: MOJ, n.d-a.)

## II. Domestic Tax and Fiscal Issues

*The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.*

**Question Four:** To what extent is the tax system favorable to making charitable donations?

<b>Score: 3.0</b>
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The tax regulations in the Kyrgyz Republic present challenges for fostering a robust charitable sector. Under Article 208 of the Tax Code, both corporations and individual entrepreneurs are permitted to allocate 10 percent of their taxable income to charitable organizations, as well as to sports and cultural organizations, regardless of their property ownership. This allocation is deductible from their overall annual income. However, civil society organizations are subject to the same tax rates as business enterprises if they engage in economic or income-generating activities to support their agendas. Despite provisions for charitable contributions, the tax code does not explicitly mandate corporate social responsibility (CSR) initiatives that contribute to philanthropic organizations or causes. This lack of legal obligation for companies to engage in CSR activities further hinders the development of a strong charitable sector in the country.

**Question Five:** To what extent is the tax system favorable to POs in receiving charitable donations?

<b>Score: 3.5</b>
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Philanthropic organizations in the Kyrgyz Republic benefit from exemptions from income taxes and value-added taxes (VAT) according to regulations. However, these organizations encounter challenges stemming from a requirement to allocate the vast majority of their income—98%—towards philanthropic activities. This leaves only a small portion, 2% of their income, available for operational expenses, this is according to the article 208 of the regulations. This strict division of funds poses several challenges for philanthropic organizations. Firstly, it may limit their ability to cover essential operational costs such as staff salaries, office rent, and utilities. Secondly, it can

constrain their capacity to invest in long-term sustainability measures, such as fundraising and capacity-building initiatives. Additionally, the requirement to allocate a significant portion of income towards philanthropic activities may limit their ability to respond flexibly to emerging needs or unexpected expenses. Overall, while the tax exemptions provide a favorable environment for philanthropic organizations to operate, the stringent allocation requirements present operational challenges that may impact their effectiveness and sustainability in the long run.

### III. Cross-Border Philanthropic Flows

*The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.*

**Question Six:** To what extent is the legal regulatory environment favorable to sending cross-border donations?

<b>Score: 3.0</b>
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In the Kyrgyz Republic, there are no specific regulations that restrict philanthropic organizations, commercial institutions, or individuals from sending international donations. However, there is a requirement to report such donations to the official authorities. While this reporting requirement is intended to ensure transparency and accountability in the flow of funds, it can also create hesitation among individuals and organizations. The hesitation arises from the potential scrutiny that may accompany the reporting process. Individuals and organizations may feel apprehensive about disclosing their sources of income, particularly if they have concerns about privacy or if the income source is perceived as sensitive or controversial. Additionally, there may be fears of potential repercussions or legal implications if the reported income raises questions or suspicions. As a result, the reporting requirement may act as a deterrent for some individuals and organizations, leading them to reconsider or withhold their international donations. This reluctance to disclose financial information may ultimately impact the flow of funds to philanthropic causes, potentially hindering efforts to address pressing social needs or support development initiatives. Overall, while the reporting requirement aims to enhance transparency and accountability, its implementation may inadvertently create barriers to international donations, highlighting the need for balanced regulations that encourage philanthropic contributions while ensuring compliance with regulatory standards.

**Question Seven:** To what extent is the legal regulatory environment favorable to receiving cross-border donations?

<b>Score: 4.0</b>
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In the Kyrgyz Republic, the reception of cross-border philanthropic donations incurs no costs or taxes. Moreover, there are no restrictions impeding the acceptance of such charitable contributions. This openness reflects the Kyrgyz Republic's dedication to fostering global solidarity and cooperation in addressing societal, economic, and humanitarian issues. This liberal stance enables the efficient mobilization of resources to support initiatives benefiting communities and driving positive societal change. The absence of constraints on receiving cross-border charitable donations underscores the Kyrgyz Republic's commitment to facilitating international philanthropy. This approach encourages

greater flexibility and responsiveness in addressing pressing needs and advancing developmental efforts. While the Kyrgyz Republic welcomes cross-border philanthropic contributions without financial encumbrances, it mandates the reporting of all income, including international donations, to official authorities. This requirement ensures transparency and accountability in fund management, mitigating the risk of misuse or misallocation of charitable resources. The reporting mandate serves to uphold integrity and accountability within the philanthropic sector. By verifying the legitimacy of donations and ensuring their alignment with intended charitable purposes, the Kyrgyz Republic aims to maintain oversight and regulate the flow of funds effectively. Although the reporting obligation may entail administrative burdens for philanthropic entities, it plays a crucial role in safeguarding against financial irregularities and bolstering public trust in charitable endeavors. The Kyrgyz Republic's commitment to transparency and responsible stewardship underscores its dedication to upholding ethical standards in philanthropic activities, both domestically and internationally.

#### IV. Political Environment

*The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.*

**Question Eight:** To what extent is the political environment favorable for philanthropy?

<b>Score: 2.5</b>
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Despite assertions from both the government and philanthropic organizations about efforts to enhance philanthropic work, tensions persist between government officials and some representatives of philanthropic organizations. Many in the philanthropic sector feel that government oversight is excessive and restrictive, impeding their ability to effectively carry out their missions. Conversely, government authorities argue that such measures are necessary to ensure transparency and combat money laundering. This ongoing conflict highlights the challenges inherent in balancing regulatory oversight with the autonomy necessary for philanthropic organizations to fulfill their missions effectively. The discord between government and philanthropic organizations underscores broader issues related to governance, accountability, and the role of civil society in the Kyrgyz Republic. While both sides aim to advance social welfare and address pressing societal issues, differing perspectives on the appropriate level of regulation and oversight can lead to tensions. Philanthropic organizations advocate for greater autonomy to innovate and respond to community needs efficiently, while government entities seek to maintain control to safeguard against potential misuse of funds and illicit activities. These tensions reflect broader debates about the balance between state regulation and civil society autonomy in democratic governance. Finding common ground and establishing effective mechanisms for collaboration and dialogue between government and philanthropic organizations is essential to address shared goals and challenges effectively. This requires a nuanced understanding of the roles and responsibilities of each actor, as well as a commitment to transparent and accountable governance practices.

**Question Nine:** To what extent are public policies and practices favorable for philanthropy?

<b>Score: 2.5</b>
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The introduction of the new draft law on non-profit organizations, submitted to the parliament at the end of 2023, has raised significant apprehension among philanthropic organizations. Many argue that the proposed legislation imposes additional restrictions and bureaucratic hurdles, which they fear will narrow their scope of work and hinder their ability to effectively carry out their missions. These concerns stem from provisions within the draft law that are perceived as overly restrictive or burdensome. For example, some provisions may impose stringent reporting requirements or limit the types of activities that philanthropic organizations can engage in. Additionally, there may be concerns about the potential for increased government scrutiny or interference in the operations of these organizations. Furthermore, the lack of meaningful consultation with philanthropic organizations during the drafting process has exacerbated tensions and raised doubts about the government's commitment to supporting a vibrant and independent civil society sector. Overall, while the Kyrgyz Republic may have some policies and practices that are favorable for philanthropy, the introduction of the new draft law has cast doubt on the overall environment for philanthropic activities. Many organizations feel that their autonomy and effectiveness are being compromised, and there is a need for greater dialogue and collaboration between government and civil society to address these concerns and ensure that policies are conducive to fostering a thriving philanthropic sector (ICNL, 2023).

## V. Economic Environment

**Question Ten:** To what extent is the economic context favorable for philanthropy?

<b>Score: 2.5</b>
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Since the last presidential and parliamentary elections, and the subsequent formation of a new government, the Kyrgyz Republic has witnessed significant efforts to combat corruption. These efforts have been commendable and reflect a genuine commitment to improving governance and accountability across the country. However, despite these efforts, significant gaps persist between the economic situation and the philanthropic landscape. The economic situation in the Kyrgyz Republic poses challenges for philanthropy. Economic instability, high levels of poverty, and limited access to resources hinder the ability of philanthropic organizations to effectively address pressing social issues. Moreover, the reliance on external funding sources, including international donors, exposes the sector to risks associated with fluctuations in donor priorities and funding availability. Furthermore, the gap between the economic situation and the philanthropic landscape underscores broader systemic issues related to governance, rule of law, and institutional capacity. Addressing these underlying challenges requires a holistic approach that goes beyond anti-corruption measures to encompass broader reforms aimed at strengthening democratic institutions, promoting transparency and accountability, and fostering an enabling environment for civil society. (Source: Kudryavtseva, 2023)

## VI. Socio-Cultural Environment

**Question Eleven:** To what extent are socio-cultural values and practices favorable for philanthropy?

<b>Score: 3.0</b>
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When discussing philanthropic organizations that engage in relief work and provide immediate assistance during crises, there is generally widespread trust and positive feedback from the public. These organizations are often viewed as crucial lifelines during times of need, and their efforts are widely recognized and appreciated. However, the perception changes when it comes to philanthropic organizations that focus on long-term development, capacity-building, or advocacy for human rights. In these cases, some individuals may view these organizations with skepticism, questioning their motives and labeling them as "agents" with hidden agendas. This skepticism can stem from various factors. Firstly, there may be concerns about the transparency and accountability of these organizations, particularly if their activities involve advocating for social or political change. Some people may question the source of funding for these organizations and whether they are truly independent or influenced by external interests. Additionally, there may be ideological or political differences that contribute to the perception of these organizations as biased or partisan. Depending on the context, certain philanthropic organizations may be associated with specific political movements or ideologies, leading to suspicions about their impartiality. Moreover, the complexity of development work and advocacy efforts can sometimes be misunderstood or misrepresented. Philanthropic organizations engaged in these activities often work in collaboration with local communities, governments, and other stakeholders to address systemic issues and promote social justice. However, these collaborative efforts may be misconstrued as interference or manipulation by outside actors. Overall, while philanthropic organizations that focus on relief work generally enjoy broad public support and trust, those engaged in long-term development and advocacy may face greater scrutiny and skepticism.

## VII. Recommendations for Philanthropy

*These questions are used to provide a general picture of philanthropy in this country as well as recommendations to improve the philanthropic environment.*

### Three key recommendations to improve the environment for philanthropy

- **Enhance Consultation and Collaboration:** One key recommendation to improve the environment for philanthropy in the Kyrgyz Republic is to enhance consultation and collaboration between the government and philanthropic organizations during the policymaking process. The recent apprehension surrounding the new draft law on non-profit organizations underscores the importance of inclusive decision-making. By actively involving philanthropic organizations in the development of legislation and regulatory frameworks, the government can ensure that policies are conducive to fostering a vibrant civil society sector. This inclusive approach not only promotes transparency and accountability but also helps address concerns and build consensus on regulatory issues. Moreover, fostering a culture of collaboration between government agencies, philanthropic organizations, and other stakeholders can facilitate the sharing of best practices, resources, and expertise. By leveraging the collective knowledge and experience of all stakeholders, policymakers can

develop more effective and tailored solutions to address the complex challenges facing the philanthropic sector. Additionally, regular dialogue and engagement platforms can help build trust and understanding between government entities and philanthropic organizations, fostering a more conducive environment for philanthropy to thrive.

- **Streamline Registration Processes:** Another crucial recommendation is to streamline the registration processes for philanthropic organizations to reduce bureaucratic hurdles and administrative burdens. Simplifying and expediting the registration process can encourage more individuals and groups to establish philanthropic entities, thereby expanding the pool of resources available for charitable activities. This could involve digitizing registration procedures, reducing the number of required documents, and establishing clear timelines for approval. By making registration more accessible and efficient, the government can empower philanthropic organizations to focus their efforts on delivering impactful programs and services rather than navigating bureaucratic red tape. Furthermore, providing comprehensive guidance and support to philanthropic organizations throughout the registration process can help ensure compliance with legal requirements and foster a culture of accountability. This could include offering training sessions, resource materials, and access to legal assistance to help organizations understand their rights and responsibilities. By equipping philanthropic organizations with the knowledge and tools they need to navigate the registration process effectively, the government can create an enabling environment that encourages innovation, collaboration, and sustainable growth within the sector.
- **Strengthen Financial Incentives and Support:** Lastly, the Kyrgyz Republic can improve the environment for philanthropy by strengthening financial incentives and support mechanisms for charitable giving. This could involve introducing tax incentives for individuals and corporations that donate to philanthropic organizations, such as tax deductions or credits for charitable contributions. By incentivizing giving, the government can encourage greater philanthropic participation and mobilize additional resources to address pressing social needs. Additionally, providing financial support and capacity-building assistance to philanthropic organizations can enhance their effectiveness and sustainability. This could include offering grants, subsidies, or low-interest loans to support operational expenses, programmatic activities, and organizational development initiatives. By investing in the capacity and infrastructure of philanthropic organizations, the government can help strengthen their ability to deliver high-quality services, achieve meaningful impact, and contribute to positive social change. This holistic approach to supporting philanthropy can create a more resilient and dynamic sector that is better equipped to address the diverse needs of communities across the Kyrgyz Republic.

### **Lasting innovation or impacts in the nonprofit sector and philanthropy in response to the COVID-19 pandemic**

- Increased collaboration between POs
- Increased collaboration between the philanthropic/NGO sector and government
- Online/digital giving
- Virtual or hybrid workplace

**Issues or trends are emerging as significant to the nonprofit sector and philanthropy**

- Climate change/environmental conservation
- Gender equity
- Increase of democracy
- Increase of organized religion
- Professionalization of the nonprofit sector
- Role of media/journalism
- Social justice and equity

Directing the focus of philanthropic organizations towards addressing pressing needs such as educational development, poverty alleviation, and economic empowerment in the Kyrgyz Republic can have significant positive impacts on the country's overall well-being and development. Educational development is a cornerstone for societal progress and economic growth. By investing in education, philanthropic organizations can contribute to building a skilled workforce, promoting innovation and entrepreneurship, and fostering social mobility. Supporting initiatives that improve access to quality education, provide training and professional development opportunities for teachers, and enhance educational infrastructure can help unlock the potential of individuals and communities, leading to long-term sustainable development. Fighting poverty is essential for creating a more equitable society and reducing vulnerability among marginalized populations. Philanthropic organizations can play a crucial role in addressing the root causes of poverty by supporting programs and initiatives that provide access to basic necessities such as food, shelter, healthcare, and livelihood opportunities. By investing in poverty alleviation strategies such as microfinance, vocational training, job creation, and social safety nets, philanthropic organizations can empower individuals and communities to break the cycle of poverty and build a better future for themselves and their families. Economic empowerment is key to promoting inclusive growth and reducing inequality. Philanthropic organizations can support initiatives that empower vulnerable groups, including women, youth, and marginalized communities, by providing access to financial resources, entrepreneurship training, mentorship, and market opportunities. By promoting economic inclusion and empowerment, philanthropic organizations can help create pathways to prosperity for those who are most marginalized and disadvantaged.

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