



**LILLY FAMILY
SCHOOL OF PHILANTHROPY**
INDIANA UNIVERSITY

The 2025 Global Philanthropy Environment Index Switzerland

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Edited by the Indiana University Lilly Family School of Philanthropy

QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Cooperative, Corporation, Endowment, Foundation, Limited Liability Company

Five main social issues addressed by these organizations: Arts and Culture, Environment, Health and Medical Research, Higher Education, Others (Social Services)

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

Average cost for registering a philanthropic organization: USD 500

The figures relate to the act of establishing a PO. Acceptance for tax exemption may take longer (up to six months), depending on the canton (state).

Government levels primarily regulating the incorporation of philanthropic organizations:
Central/Federal Government, State Government, Local Government

Usually, registration is done on the cantonal (state) level. For foundations, the level of the supervisory authority depends on the radius of activity. Foundations with international and national purpose are supervised on the national level, foundations with regional and cantonal purposes on the state level, and foundations with local purpose on the local level. However, current political tendencies aim to reduce local influence and favor the cantonal level due to reasons of professionalization of the supervisory authorities.

¹ Authors of the 2025 GPEI report are providing updated narratives and scores to the 2022 GPEI report

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PHILANTHROPIC ENVIRONMENT SCORES

Year	Ease of operating a PO	Tax incentives	Cross-border philanthropic flows	Political environment	Economic environment	Socio-cultural environment	Overall score
2025 GPEI	5.00	4.90	4.70	4.80	5.00	5.00	4.88
2022 GPEI	5.00	4.85	4.50	4.60	5.00	5.00	4.83
2018 GPEI	5.00	4.75	4.50	4.50	N/A	5.00	4.75

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

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?

Score: 5

Associations and foundations are the most common legal forms for nonprofits. As with all other legal forms, both can be set up by individuals without any government interference. For an association, registration is not mandatory, and it only needs two individuals to establish an association. The registration is mandatory only if the revenue from own activities (not including donations and member fees) exceeds USD 150,000. A foundation has to be registered in the Registries of Commerce and afterwards is under state supervision, as there are no internal control organs. By law, there is no minimum capital required to establish a foundation. However, in practice, a minimum of between USD 30,000-50,000 is recommended by supervisory authorities to establish a foundation. For reasons of checks and balances, the cantonal (state-level) supervisory authorities are independent public entities, not related to the authorities and are financed through the supervisory fees rather than taxes.

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

Score: 5

Government interference is very limited. POs are free to organize internal governance structures along their own needs. Only if a PO receives public funding will the government execute more

influence and require more detailed reporting. These are based on general and transparent standards, such as Swiss GAAP FER 21, an accounting standard published by a private foundation. Communications and international contacts are not regulated. Because of liberal legal regulations, the nonprofit sector pushes for self-regulation. For instance, two certifications for fundraising organizations (Zewo seal and Ehrenkodex seal) and the Swiss Foundation Code are examples of self-regulation of grantmaking foundations. The current edition of the Swiss Foundation Code was published in 2021 and is available in German, French, Italian, and English.

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

Score: 5

For associations, only the governing body (i.e., the general assembly) can terminate the organization. For foundations, only the supervisory authority can terminate the organization, based on a request by the foundation board. This requirement is to protect the will of the founder against changed perspectives in the foundation board. Involuntary termination by a government entity is only possible in response to severe legal violations and failure to correct said violation.

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?

Score: 5

Tax deductions for individuals and corporations exist on the federal and canton (state) level. On the federal level and in most cantons, 20 percent of the taxable income (20 percent of the net profit for corporations) are deductible. Only in two cantons is the rate lower (5 and 10 percent) and in one canton, it is 100 percent. Usually, there is a minimum amount for a single donation to be deductible between (USD 100-500) in the cantons. In some cantons, the government may grant a higher tax deduction for very large donations in one year. The regulations for tax exemptions are clear—for example, the regulation is the same for any kind of donation. Thus, differences depending on purposes or types of receiving PO do not exist.

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

Score: 4.8

POs are eligible for significant tax exemptions if their purpose is classified as public benefit. The decision is made by the state tax authorities and based on two cumulative requirements: promotion of public benefit and political neutrality. Due to these two requirements, some POs that may be tax exempt in other countries are not exempt in Switzerland. Specifically, member serving organizations such as sports clubs are not eligible for tax exemption. However, the public interest criterion is not limited to domestic activities. A PO which is not active in Switzerland but only abroad may also be tax-exempted. Recently, the canton of Zurich has updated its policies to facilitate tax exemption for

foreign activities. As Zurich is the most influential canton, this is a positive signal and other cantons may follow. If tax exemption is granted, POs are exempt from profit and capital taxes, inheritance and gift taxes, and property gains tax, though cantonal differences exist. POs can receive large amounts of private funding up to 100 percent of their revenues.

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?

Score: 4.3

Cross-border donations can be sent without any additional costs or taxes. However, cross-border donations are not eligible for tax incentives unless they run through a Swiss nonprofit first; then they get the same tax exemptions. Furthermore, there are no other government interferences for cross-border donations in terms of process or ruling. Recently, the existence of intermediaries such as the Transnational Giving Europe (TGE) network have received more attention and are used more. Cross-border giving is of high importance for both individual and institutional givers and recipients. As many international organizations have their headquarters in Switzerland, significant donations from abroad enter Switzerland and are further distributed to other countries globally. Additionally, Switzerland has one of the most international populations in Europe, with 25.7 percent identifying as foreigners, and many people donate to their home countries.

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

Score: 5

In general, there are no regulatory differences for domestic or cross-border donations to a Swiss PO. There are no additional costs or taxes for receiving cross-border donations as a PO in Switzerland. Tax incentives for the POs are the same and there is no limitation on the purpose. However, cross-border donations have to be compliant with the law on money laundering. Especially during the COVID-19 pandemic, many donations for the World Health Organization were sent to Switzerland directly or through intermediaries.

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?

Score: 5

The basic democratic political system of Switzerland on all governmental levels facilitates interactions between POs and government. There are various opportunities for exchange and often the government commissions POs to fulfill a certain task. There exists a constitutional right for associations to be included in the legislative process. Additionally, environmental and homeland associations have a general right of appeal against construction projects.

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

Score: 4.5

Traditionally, the government does not interfere in the philanthropic sector. Thus, the state has no strategy for the philanthropic sector, but it offers very liberal regulations. However, in several cantons, the authorities have started initiatives to promote the philanthropic sector. In Aargau, Bern, Geneva, Basel, and Zurich, studies have been executed to better understand the sector and further activities such as regular exchanges between the state and the philanthropic sector have started. Just recently, the canton of Zurich has taken action after this study and revised its policies on tax exemption. Issues such as the remuneration of board members, non-development-related activities abroad, or impact investing were evaluated and made eligible for tax exemption in the future. As Zurich is the largest canton, its decision will influence other cantons as well and thus influence the policies on tax exemption in Switzerland.

V. Economic Environment

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

Score: 5

Switzerland is a strong and wealthy economy. While the COVID-19 pandemic, the war in Ukraine, as well as the higher inflation rate slowed down the economic growth of the country, the recovery of the Swiss economy after 2020 has been moderately improving. Nonetheless, nonprofit organizations received record amount of donations in three continuous years: in 2020 and 2021, during the first two years of the COVID-19 pandemic, as well as in 2022 during the first year of the war in Ukraine. The strong economy favors private donations and engagement in philanthropic action. In a narrower perspective, the Swiss philanthropy sector is highly institutionalized. There are several organizations and associations that offer infrastructure for philanthropy, including certifications, research, lobbying, executive training, and consulting, among others. With its humanitarian history, Switzerland attracts many international organizations and is the home of many international associations. Nowadays, many new organizations emerge, supporting and executing new forms of philanthropy, such as venture philanthropy and impact investing.

VI. Socio-Cultural Environment

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

Score: 5

Switzerland has a long tradition of philanthropy, dating back to the middle ages. It is based on shared beliefs of personal responsibility for the society and the Calvinist Protestant religion, which dominated in Switzerland for several centuries. Donating and volunteering are widespread in society and are highly accepted. POs benefit from a high level of trust.

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

- Increase transparency through a public register for public benefit organizations.
- Develop new education and training programs to further professionalize the sector, especially on the advisory board level.
- Improve environment for cross-border giving

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

- Online/digital giving
- Virtual or hybrid workplaces

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

- Adoption of artificial intelligence (AI)
- Decline of organized religion
- Gender equity
- Professionalization of the nonprofit sector
- Social justice and equity
- Development of participatory philanthropy
- Increase of sunset foundations

The Swiss philanthropic sector is in a phase of constant professionalization. At important sector events, topics such as AI, participatory philanthropy, or sunset foundations are debated and promoted. Additionally, POs have professionalized and become more responsive to current societal debates. In the political context, POs are front-runners on topics such as climate change, gender equity, or social justice. The influence of POs in the political system has increased. However, the future development may be hindered by a consolidation of funding by both government and private donors. Hence, the increase of sunset foundations offers quicker flow-back of philanthropic capital into society.

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