



FACILITATING CROSS-BORDER ACTIVITIES OF NON-PROFIT ASSOCIATIONS

#SingleMarket30

September 2023

The Commission proposes new rules to create a legal form for European cross-border non-profit associations (ECBAs), which will co-exist with national non-profit associations. ECBAs will serve as a vehicle to facilitate operations of associations with activities in more than one Member State.

Today, non-profit associations engaging in activities in another Member State face different rules across the Union resulting in administrative burden and costs.

The new rules will remove legal and administrative barriers, supporting the the freedom of establishment, the freedom to provide services and goods, the freedom of capital, and mobility rights of non-profit associations.

NON-PROFIT ASSOCIATIONS IN THE EU

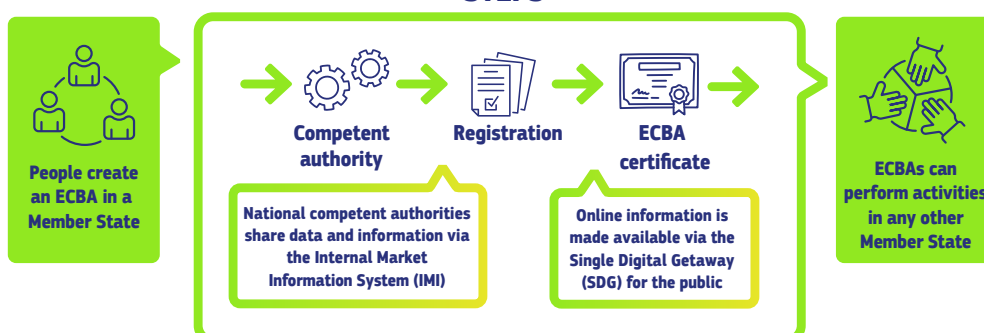
- An estimated **3.8 million of non-profit associations** are active in EU MS and they contribute with 2.9% to EU GDP
- **310 000 non-profit associations** are currently present in more than one Member State
- Additional **185 000 non-profit associations** could potentially engage in cross-border activities, if the identified barriers tackled by the proposal are removed, generating up to EUR 4.2 billion added value over a 15-year period
- **The new proposal will bring cost savings up to EUR 770 million** per year for non-profit associations currently active cross border, potentially amounting up to EUR 8.5 billion within the time frame of 15-years

Non-profit associations provide services and goods in sectors with a societal impact (health, care and social services, social inclusion, culture, sports, research and development, education and training, etc.)

HOW WILL ECBAs OPERATE IN PRACTICE?

The new rules will only benefit non-profit associations that want to operate cross-border. National laws on non-profit associations will remain as they are. For areas not covered by the Directive, national rules apply, thus respecting the traditions of Member States.

STEPS

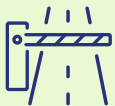


KEY FEATURES AND RIGHTS OF THE ECBA_s



THE NON-PROFIT PURPOSE

- When a profit is generated it should be used only in pursuit of the objective of the ECBA's statutes and not shared among members



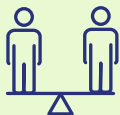
THE CROSS-BORDER COMPONENT

- Perform activities in at least two Member States and founding members with links in at least two Member States



AUTOMATIC RECOGNITION

- Registration in one EU country only
- ECBA legal capacity and legal personality harmonised and recognised across the Union



RIGHTS

- Equal treatment with existing national non-profit associations
- Non-discrimination against any group or individual on any ground
- Free and non-discriminatory access to public funding



CROSS-BORDER MOBILITY

- Transfer of registered office in another Member State



ACCESS TO THE SINGLE MARKET FREEDOMS

- Supporting the freedom of establishment and the ability to carry out economic activities by providing services and goods and by accessing capital and channelling funds across borders

WHO WILL BENEFIT FROM THE NEW RULES?

NON-PROFIT
ASSOCIATIONS

CIVIL SOCIETY

SOCIAL ECONOMY

NON-PROFIT
ORGANISATIONS

CITIZENS

PUBLIC AUTHORITIES

LOCAL COMMUNITIES

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