

RECOMMENDATION 13 OF 20

NATIONAL, COMPARED ACROSS AFRICA

Act within 1 year · by 2027 finance bills

Give tax relief for gifts to audited local charities, and compare rules across Africa

Related briefings: [Philanthropy](#)

IN BRIEF

- Between 2010 and 2019, African donors sent only 9% of their large gifts to African non-governmental organisations (NGOs), while several governments are now restricting foreign money for these groups.
- Each government should give tax relief for gifts to audited local charities, and the African Tax Administration Forum should compare these rules across countries.
- Kenya should go first, because it has a new law on public-benefit organisations and a finance bill due before July 2027.

Why this matters

Foreign money for civic groups is shrinking and becoming legally risky. Uganda's sovereignty law carries prison sentences of up to ten years. Zimbabwe's 2025 NGO law lets the state strike off groups it sees as partisan. Ethiopia proposes to bar foreign-funded groups from election work. Groups that depend on foreign money are therefore exposed in law as well as in their budgets.

Money exists at home. Africa has 122,500 millionaires and 25 billionaires. Yet African donors sent 41% of their large gifts to governments. Tax relief can steer more of that giving to independent local groups.

Relief is uneven across the continent. Nigeria's 2025 tax law lets companies deduct gifts up to 10% of profit before tax, with no matching rule for individuals. Ghana lets individuals deduct gifts. Kenya's 2024 rules allow deductions for gifts to approved charities, with conditions. Mauritius takes a different path and makes profitable companies set aside 2% of taxable income for social causes. It sends 75% of that money to a state foundation. A comparison would show each treasury what works elsewhere and what it costs.

Sources for this section (9)

- [Africanews: Uganda's sovereignty law](#)
- [IFEX: Zimbabwe's 2025 NGO law](#)
- [Human Rights Watch: Ethiopia and foreign-funded groups](#)
- [Henley & Partners: Africa Wealth Report 2025](#)
- [Bridgespan: where African donors' large gifts go](#)
- [Nigeria Tax Act 2025: deductions for donations](#)
- [PwC: individual deductions in Ghana](#)
- [EY: Kenya's 2024 rules on donations](#)
- [Mauritius Revenue Authority: guide to the company social responsibility fund](#)

Four levels of action

1 What Africa asks of the world

The Financial Action Task Force (FATF) sets global rules against money laundering and the funding of terrorism. In November 2023 it revised its rule on non-profits to discourage blanket restrictions. It should apply that revision in every review of an African country. Governments could then no longer cite FATF rules to justify blanket limits on money for non-profits.

WHO	The FATF and its African regional bodies
WHEN	FATF meeting, Paris, 26 to 30 October 2026

2 What the African Union does

The African Tax Administration Forum (ATAF), which brings together African tax authorities, adds a section on giving to its African Tax Outlook data. It compares how much each country lets donors deduct, who may receive gifts, how receipts are reported and what relief costs. African philanthropy networks draft a model tax provision that any government can copy.

WHO	ATAF, with African philanthropy networks
WHEN	Model provision at the African Philanthropy Forum, Cape Town, 25 to 27 October 2026; first comparison in 2027

3 What regional groups do

The Southern African Development Community (SADC) adds tax relief for giving to the database its members already keep on tax exemptions and incentives. The councils of finance ministers in the East African Community and the Economic Community of West African States (ECOWAS) circulate the model provision. Mali, Burkina Faso and Niger remain in the West African Economic and Monetary Union (WAEMU), which can carry the text to them. The decision itself stays with each government.

WHO SADC, the East African Community, ECOWAS and WAEMU

WHEN By June 2027

4 Which country goes first, and why

Kenya goes first. Its Public Benefit Organisations Act took effect on 14 May 2024 with a new regulator, and its 2024 rules already allow some deductions. The finance bill must pass before the financial year begins on 1 July 2027, which gives a fixed date for a decision.

WHO Kenya's National Treasury and the Kenya Revenue Authority

WHEN Receipt reporting designed by March 2027; the provision included in the 2027 finance bill

Before another country can do this

- ☒ A register of approved public-benefit organisations.
- ☒ A revenue authority able to receive reports of receipts electronically.
- ☒ Audit standards that local organisations can meet.
- ☒ A treasury estimate of how much revenue the relief would cost.

What does not carry over from the first country

- South Africa has years of practice with relief for gifts and with reporting receipts.
- Kenya's public-benefit law and regulator are new, and other countries may lack both.

- Mauritius's compulsory levy sends most of the money through a state foundation, so it does not build independent giving.

Who else is ready

COUNTRY	WHY	SOURCE
South Africa	It is the working example: relief capped at 10% of taxable income, excess carried forward, and receipt reporting since May 2024.	Source
Nigeria	Its 2025 tax law already covers gifts by companies, so extending relief to individuals needs one amendment.	Source
Ghana	It already lets individuals deduct gifts and could add receipt reporting.	Source

Has this worked before?

South Africa lets donors deduct gifts to approved public-benefit organisations up to 10% of taxable income, and carries any excess to later years. Since May 2024, every approved organisation must report each tax receipt to the revenue service. This answers the treasury's concern that relief could be misused. [Source](#)

South African Revenue Service: guide to tax deductions for gifts

First steps

- 1

AFRICAN UNION LEVEL

African philanthropy networks present the model provision at the African Philanthropy Forum in Cape Town, 25 to 27 October 2026, and ask ATAF to add a section on giving by mid-2027.
- 2

REGIONAL GROUPS

SADC finance ministries add tax relief for giving to the members' tax database by June 2027.

Who acts, and with what

WHO LEADS	National treasuries decide; ATAF compares; SADC, the East African Community and ECOWAS bring the rules into line
INSTRUMENT	Provisions in national finance bills, a continental comparison in the African Tax Outlook, and a regional model text
HOW PROGRESS IS CHECKED	Relief passed into law in Kenya in 2027 and in at least two more countries by 2028
SIGNAL TO CHANGE COURSE	New limits on foreign funding pass while no country passes tax relief for giving
WHAT STANDS IN THE WAY	Treasuries worry about lost revenue and misuse of relief. Governments that distrust civil society may resist any measure that funds it. Kenya's system for public-benefit organisations is still being built.
COST AND MONEY	No treasury has yet estimated the revenue cost, and each should do so before a bill is tabled. A cap like South Africa's 10% limits the cost.

Who else contributes

WHO	CONTRIBUTION
Kenya's National Treasury and Kenya Revenue Authority	Design and pass the provision first
Philanthropy networks	Draft the model provision
Kenya's Public Benefit Organisations Regulatory Authority	Keep the register of organisations that can receive relief
Auditors	Certify the accounts of organisations that receive gifts

ParliamentsPass the provisions

What each audience can do

Governments

WHAT YOU CAN DO

Include tax relief for giving in the next finance bill

WHAT YOU GAIN

A stronger civil society at low cost

AU and regional bodies

WHAT YOU CAN DO

Publish the comparison and circulate the model text

WHAT YOU GAIN

Evidence that persuades treasuries

Philanthropy

WHAT YOU CAN DO

Draft model rules and pledge to use them

WHAT YOU GAIN

More local partners to fund

NGOs and civil society

WHAT YOU CAN DO

Meet audit standards and register

WHAT YOU GAIN

Access to local donors

Business and investors

WHAT YOU CAN DO

Give through approved organisations

WHAT YOU GAIN

Tax relief and public trust

The briefings behind this

Sector · Strong inference

Philanthropy

Philanthropy cannot replace lost aid, and its best use is to take the first risk so that Africa's own savings can be invested at home.

[Open the briefing](#)

Words used on this page

Tax relief for gifts

A rule that lets a donor subtract a gift to an approved charity from their taxable income, so they pay less tax. Most countries cap it, for example at 10% of taxable income in South Africa. [Philanthropy briefing](#) · [Glossary](#) · [Source: sars.gov.za](#)

African Tax Administration Forum (ATAF)

A body that brings together Africa's national tax authorities to share methods and agree common positions on tax.

[Philanthropy briefing](#) · [Glossary](#)

Public-benefit organisation

A charity or non-profit group registered under the law as working for the public good. In Kenya and South Africa, registration brings duties to report and, in some cases, tax relief for donors. [Philanthropy briefing](#) · [Glossary](#) · [Source: bowmanslaw.com](#)

Financial Action Task Force (FATF)

An intergovernmental body that sets global rules against money laundering and the funding of terrorism. Countries that fall short can be placed on a watch list, which makes banking harder. In November 2023 it revised its rule on non-profits to discourage blanket restrictions on them. [Philanthropy briefing](#) · [Glossary](#) · [Source: fatf-gafi.org](#)

SADC

The Southern African Development Community, 16 states from the Democratic Republic of the Congo to South Africa.

[Glossary](#) · [Source: sadc.int](#)

East African Community

A bloc of eastern and central African states, including Kenya, Uganda, Tanzania, Rwanda, Burundi and the Democratic Republic of the Congo. [Glossary](#)

ECOWAS

The Economic Community of West African States. Mali, Burkina Faso and Niger left it in January 2025. [Politics and governance briefing](#) · [Glossary](#)

WAEMU

The West African Economic and Monetary Union: eight West African states that share one currency, the CFA franc, and one central bank. [Politics and governance briefing](#) · [Glossary](#)