



European Council for Non-Profit Organisations
Comité européen des associations d'intérêt général



The European Cross-Border Associations Directive proposal

Why does it matter for associations & not-for-profit social services?

Joint SSE-CEDAG-CSE Webinar

Agenda

12:30 Introduction

Mathias Maucher, Policy & Project Coordinator, SSE

12:35 Presentation of the ECBA Directive and its potential for associations and social services

Mathieu de Poorter, President, CEDAG

12:50 Issues raised by governments: what is at stake for associations and social services?

Matteo Vespa, Policy and Project Officer, Civil Society Europe

13:05 Open floor discussion and Q&A

Moderation: Mathias Maucher, Policy & Project Coordinator, SSE

13:55 Conclusive remarks

Mathias Maucher, Policy & Project Coordinator, SSE



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The European Cross-Border Associations Directive proposal

Why does it matter for associations & not-for-profit social services?

Mathieu de Poorter, President, CEDAG
Joint Webinar | 5 May 2025, 12:30-14:00 (CET)

About CEDAG

[CEDAG](#) - European Council for associations of general interest (*Comité européen des associations d'intérêt général*) : European network that provides a voice for the non-profit sector at the European level on specific issues which are common to all non-profit organizations and associations

Objectives

- Structure non-profit associations in Europe as **providers** of services of general interest and **actors of the civil society**
- Bridge national association with EU institutions on topics such as social economy, social services, EU fundings, the role of associations in civil dialogue and in civil society, the recognition of non-profit organisations
- Longstanding advocacy for the recognition of a statute for European associations

What is at stake with the ECBA?

	Currently	With the ECBA
Practical perspective	Associations must comply with different set of rules (24 different national laws) Non-profit associations are invisible for the single market	Remove associations' red tape: Facilitate & Simplify legal and administrative barriers in the EU
Principle perspective	The EU do not recognise non-profit organisations/associations NPOs cannot make profit We must keep explaining what are NPOs, who we are & what/why we do	Non-profit way of undertaking economic activities is recognised at the EU level The non-profit sector = Major contribution to the European social model NPOs = organised civil society, biggest investor in social capital & provider of services of general interest in social, educational and (health)care, etc.

What is the ECBA Directive proposal?

Have you ever tried to provide social services abroad? Transfer funds across borders? Transfer your organization in another EU country? Merge with a partner organisation on the other side of the border? Deal with administrations in building up partnership across borders? Recognize your activities in another country?

➤ Conclusion: no standardized procedure, one answer – Good luck!

ECBA = European Cross-Border Association

EU Directive: Legislative act that sets out a goal that EU countries **must** achieve (proposal of the European Commission to Member States & the European Parliament)

Proposal: Creation of a new and additional legal form (i.e. the ECBA) at the national level in EU Member States

Aim: offer a level playing field to associations in the internal/single EU market

What the ECBA Directive has to offer?

Objective

Removing legal and administrative barriers of non-profit associations having/willing to have cross-border activities to promote equality of treatment between associations in the EU

What is an ECBA?

Organisation based on members – natural persons or non-profit organization – (willing to) carrying out activities in at least 2 EU countries and have founding members with links to at least 2 EU countries

How?

- A single procedure for all by respecting national legislations & other national associations
- Recognition at the EU level:
 - Non-profit associations are enterprises providing economic services
 - Non-profit associations' characteristics (statutes, governance, membership, etc.) & Public benefit aim
- Reduction of legal and administrative burden in ECBA establishment/conversion and recognition (only-once, transparency & automatic/digital) with a ECBA Certificate
- Coexistence with other national associations: equal treatment and non-discrimination with comparable national non-profit associations
- Freedom to receive and provide fundings in the EU

Are there any exclusions and limitations?

Exclusions of trade unions, political parties, religious organisations and convicted/illegal organisations

Examples of ECBA's benefits for cross-border cooperation & activities

A non-profit association in Austria provides support services for persons with disabilities and wants to partner with similar organizations in Hungary and Slovakia to deliver cross-border care, share best practices, and jointly apply for EU funding.

- *The association registers as an ECBA in Austria and automatically gain legal recognition in Hungary and Slovakia, eliminating the need for multiple registrations. It could directly employ staff and deliver services in partner countries under a single legal framework. The ECBA status would ensure non-discriminatory access to funding and public contracts across the EU.*

A French association specializing in elderly care wants to collaborate with Belgian and Luxembourgish partners to develop a cross-border home care network for seniors living near the borders.

- *The French association registers as an ECBA and could then operate in Belgium and Luxembourg without creating new entities. Joint projects, such as shared emergency helplines or mobile care units, could be managed under one legal structure. The ECBA would simplify compliance with local regulations and facilitate joint applications for EU social innovation grants.*

A network of NGOs in Italy, Greece, and Spain provides social integration services for migrants and refugees, including language classes, legal aid, and housing support.

- *The network establishes itself as an ECBA, enabling it to coordinate activities, staff, and resources across all three countries efficiently. The ECBA status allows the network to apply for EU and national funding as a single entity, streamlining financial management and reporting. It facilitates the transfer of best practices and staff mobility, improving service delivery for beneficiaries.*

ECBA Directive benefits for non-profit social services

Challenge	Current situation	With the ECBA Directive
Legal recognition	Multiple registrations required	Single registration, EU-wide
Administrative burden	High, due to fragmentation	Reduced, harmonized framework
Access to funding	Often restricted to national entities	Non-discriminatory, EU-wide access
Staff mobility & hiring	Complex, country-specific rules	Simplified, cross-border enabled
Joint projects & resource sharing	Difficult, legal barriers	Streamlined, under one entity

THANK YOU 😊

Mathieu de Poorter, CEDAG President

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CEDAG - European Council of Associations of General Interest

Issues raised by governments: what is at stake for associations and social services?

Civil Society Europe - The coordination of civil society organisations at EU level.

civilsocietyeurope.eu



05/05/2025 - Matteo Vespa

The state of the art in the Council



- The Directive is **stuck in preamble discussions** in the preparatory body, the Working Party on Company Law.
- **WP on Company Law:** Preparatory body that normally works on enterprises, it is not used to discuss issues related to civil society.
- Doubts on the **added value/interest of NPOs in the Directive.**
- Doubts on **thematic aspects** (e.g. 'window shopping', notary provisions).
- Principled opposition on **security ground** and on the **legal basis.**

Added value/interest of NPOs: what some Member States doubt



Some Member States question the added value of the Directive, or the interest for the non-profit sector for it:

- **European associations** already exist
- Issues of **taxation, employment, public benefit status** are not touched by the Directive
- **NPOs are not heavily mobilising** in support of the Directive

Added value: what we reply



- **European associations** are established under national law of a Member State, and **are not automatically recognised across the EU**. This creates problems in terms of: lack of recognition of the association or equiparation to foreign enterprises in another MS; operations and employment in another Member State; transfer of seat and related assets; cross-border merger; discrepancies in allowed practices; difficulties in receiving public and private funds from another EU MS
- The Directive would allow the emergence of **not yet existing cross-border NPOs**, which could be in charge of managing cross-border services, natural protected zones, civil protection operations etc.
- The Directive would easily allow the creation of ECBAs to coordinate common causes, such as **European Citizens' Initiatives** and follow up;

Interest of NPOs: what we reply



- The main European associations from the Non-Profit sector are mobilised in support of the ECBA: **civil society, philanthropy, social services, mutualities, social economy;**
- In some MS, **national associations** are actively supporting the Directive (e.g. France, Poland, Italy, the Netherlands);
- More mobilisation is needed! **Make your voice be heard.**

Thematic aspects: what some Member States doubt



- **Window shopping:** NPOs might decide their legal seat in the Member State that would offer better conditions (e.g. in terms of legal environment, taxation, labour laws);
- **Notary provisions:** in some MS, a notary deed is necessary to establish a NPO, which is not contemplated by the Directive;

Thematic aspects: what we reply



- **Window shopping:** in theory, **it would not be different from that of companies operating in the Single Market**, and already European associations exist in Member States. In practice, **the risk is minimal**, as the choice of the legal seat is normally linked to contingent factors.
- **Notary provisions:** the **Directive indeed does not allow notary deeds**; this would need to be changed by the Council when examining the articles of the Directive.

Security concerns: what some Member States doubt



- The Directive would be weak on general security concerns;
- National public authorities would not be able anymore to decide which associations can or cannot operate in their territory;
- An association dissolved in a Member State could be recreated in another Member States and still operate in all the MS.

Security concerns: what we reply



- The Directive has **specific provisions to limit the activities** of people subject to measures or condemned due to money laundering, associated predicate offences, or terrorist financing, and guarantees for creditors against fraud are strengthened in the EP version;
- MS different than the one of establishment **can limit some ECBAs' activities in their MS in specific cases**, and the principle of **administrative cooperation** is in place among national authorities in case of dissolution of the ECBA by authorities;
- **A dissolved ECBA cannot be reconstituted**, as it legally ceases to exist and its assets are dismantled.

The legal basis: the doubts of the Council Legal Service



- Economically inactive ECBAs could not be included in the scope of the Directive;
- The legal basis would cover only free movement of goods and capitals, which are ancillary in the current Directive;
- Freedom of establishment and freedom to provide services would require a different legal basis (art. 352 TFEU), which requires unanimity in the Council.

The legal basis: article 54 TFEU



It sets out the conditions for freedom of establishment within the EU:

*“Companies or firms’ means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, **save for those which are non-profit-making.**”*

Interpreting it as excluding NPOs would mean that the **non-profit sector will never be recognised as such within the Single Market** and will never enjoy freedom of establishment.

The legal basis: what we reply



- Over the decades, the concept of non-profit organisation has evolved, and the standard today is the **constraint to not redistribute profits, but the possibility to always engage in economic activities**: economically inactive associations can become economically active without any problems;
 - Art. 54 TFEU: while the letter of the text seems to give weight to the CLS opinion, the ECJ jurisprudence recognised that “legal persons whose main objective is not to increase their profits **are covered by the right of establishment in so far as they participate in economic life**”; furthermore, the EU Charter of Fundamental Rights (art. 12), which is at the same level as the Treaties, **guarantees freedom of association “at all levels”**.
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Conclusion



- The **legal basis of the ECBA is sound** and based on ECJ jurisprudence, on the EU Charter on Fundamental Rights and on the current standard of interpretation for NPOs - denying its application would mean condemning the non-profit sector to never be recognised at the EU level;
 - The **concerns on security are already fairly addressed by the Directive**, while **the risks of window shopping are minimal** and not different from other legal entities in the Single Market;
 - The **Directive has an added value** for both already existing European associations, and for perspective ones, both at the European and cross-border levels;
 - The main European associations of the non-profit sector are mobilised to support the ECBA: **it is time for national organisations to make their voice be heard!**
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Thank you!



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How can YOU act?

Only one way forward to support the ECBA Directive: **MOBILISING**

For national non-profit organisations & civil society organisations

- [Introductory handbook](#) on the ECBA Directive
- [Model letter](#) of support to endorse the ECBA Directive
- [List of national contacts](#) in the Permanent Representations to the EU

For Member States representatives

- [Questions & Answers on the ECBA Directive](#)
- [Council Working Party on Company Law](#)

CEDAG-SSE-CSE are available to provide support on the ECBA Directive

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