

**Bridge and Mind Sports  
in Germany**  
**Ulrich Wenning, President of the German Bridge Federation**  
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**I.**

As early as the 1980s, the German Bridge Association (Deutscher Bridgeverband, DBV) tried to gain “**non-profit**” status and/or acceptance as a “**sport**.”

Being a non-profit has many advantages under German tax law, including:

- Waiver of the corporate tax (income tax for a legal entity)
- Donations (cash and/or material donations can be claimed as tax deductions by the donor)
- Tax allowances for other association activities

In addition, non-profit status has particular significance in terms of **social recognition**.

A non-profit is considered to **benefit the general public in a material, intellectual or social area**, and is also **altruistically supported**.

Unfortunately, the association was unable to be recognized as a non-profit at that time.

Numerous attempts to hold discussions with the political parties failed, so the association’s political activities were only continued to a limited extent; instead, the DBV conducted a test case before a finance court, followed by an audit through the Federal Tax Court. However, the main goal here was to achieve recognition as a sport. The DBV was unsuccessful in both instances – more on those details later.

## II.

1. A non-profit purpose is defined in the General Tax Code (Abgabenordnung, AO, § 52):

*“A body is considered to pursue non-profit objectives if its activities are focused on **altruistically benefiting the general public in a material, intellectual or social area**. A benefit to the general public is **not demonstrated** if the **group of people** who receive the benefit is **permanently defined**, for instance membership in a family or on the staff of a company, **or can only be very small due to being restricted**, particularly by spatial or professional conditions. A benefit to the general public is not considered to exist simply because a body supplies its resources to a body under public law.”*

2. This requirement then enumerates **25** activities that are to be “recognized as benefiting the general public.” The following are a few examples: science and research, religion, public health, youth and senior assistance, art and culture, marriage and family, etc.

**Bridge** – as already stated – was **not included** in this catalogue.

3. In **2007**, the regulations were expanded, stating that **additional** activities beyond the 25 listed previously could be “declared a benefit to the general public.” Legislators have authorized and charged the highest state tax authorities with reaching a decision in this regard.

4. As you can imagine, the Deutscher Bridgeverband submitted a corresponding application shortly after the change in laws took effect (1/1/2007). The next steps of the process required a great deal of patience and optimism, and once again our application was refused; an appeal was rejected, so the DBV once again had to file a suit with the Tax Court.

In October 2013, extensive oral proceedings were held before the Tax Court in Cologne, where all of the factual and legal aspects were explored in detail. The Tax Court came to a corresponding resolution:

*“Revoking the refusal decision dated ... , the Tax Office is hereby obligated to declare the **promotion of tournament bridge** according to the **tournament bridge rules approved by the World Bridge Federation** as per § 52 AO [Tax Code] to be a non-profit activity.”*

You can imagine the relief and joy that we felt at hearing this decision.

5. The verdict has not yet legally taken effect; an appeal can still be submitted to the Federal Tax Court (BFH).

### III.

1. There is another important reason that I am giving you such a detailed definition of non-profits according to German tax law. You may already have suspected that “sports” as per § 52 AO are also recognized as a non-profit activity:

*“21. the promotion of sports (chess is considered a sport)”*

Thus if bridge is considered a sport, the DBV and its associations would be **non-profits** according to the **legal definition – by law**.

2. In Germany, a sport is still defined as a

physical activity.

There is one exception:

chess.

In order to avoid “threatening” the criterion of “physical activity” by expanding the definition to intellectual sports, German legislation created a legal definition (a legal fiction):

*“Chess is considered a sport.”*

In a legal sense, this means that other activities such as bridge and Go cannot argue that they must be treated like chess. The Federal Tax Court agrees that the legal fiction could only be expanded to include bridge and Go, for instance, by way of a legislative decision.

The abovementioned Tax Court proceedings also addressed the DBV’s proposal that bridge be acknowledged as a sport.

The Cologne Tax Court refused this portion of the suit, ultimately in agreement with the legislation of the Federal Tax Court, which had refused to acknowledge the game known in Germany as “Skat” as a non-profit activity:

*“Skat exclusively serves to exercise **intellectual skills**. No physical activity is sought out. In this way, Skat differs from acknowledged sports such as **shooting, archery and billiards**. In these activities, skills are practiced that require special **physical abilities that can only be achieved through lengthy training**. An analogy to chess playing does not apply because this is a **legal fiction** that cannot be expanded by way of an analogy.”*

3. Although the Cologne Tax Court also concurred with the previous decision by the Federal Tax Court, the Tax Court permitted an appeal. As a result, we now have the option of bringing forward the argument to the Federal Tax Court that social attitudes toward the definition of “sports” have significantly changed in the last 10 to 15 years.

It cannot be overlooked that bridge is acknowledged as a college sport (FISU, EUSA), and is a recognized member of the IOC and other international sporting associations (SportAccord). Thus it remains to be seen whether the Federal Tax Court will redefine the European definition of sports (Art. 165 AEUV [Treaty on the Functioning of the European Union]).

**Article 165**  
**(ex Article 149 TEC)**

*(1) The Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organization of education systems and their cultural and linguistic diversity.*

*The Union shall contribute to the promotion of European sporting issues, while taking account of the specific nature of sport, its structures based on voluntary activity and its social and educational function.*

*(2) Union action shall be aimed at:*

- ...
- ...  
*developing the European dimension in sport, by promoting fairness and openness in sporting competitions and cooperation between bodies responsible for sports, and by protecting the physical and moral integrity of sportsmen and sportswomen, especially the youngest sportsmen and sportswomen.*

*(3) The Union and the Member States shall foster cooperation with third countries and the competent international organisations in the field of education and sport, in particular the Council of Europe.*

*(4) In order to contribute to the achievement of the objectives referred to in this Article:*

- *the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, after consulting the Economic and Social Committee and the Committee of the Regions, shall adopt incentive measures, excluding any harmonization of the laws and regulations of the Member States;*
- *the Council, on a proposal from the Commission, shall adopt recommendations.*

**Summary:** According to the current legal situation in Germany, only chess “counts” as a sport, based on a legal fiction.