

# **PHILANTHROPIC STRUCTURING: THE ASIAN CONTEXT**

## **FACILITATING EFFECTIVE AND TARGETED GIVING IN THE AGE OF COVID-19**

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## ASIA



Asia is home to an expanding population of ultra-rich individuals.



Also home to nearly half of the world's poorest people.



Rich are getting richer, but are they giving more?

## CURRENT WAYS OF GIVING

### CHARITY BEGINS AT HOME



### TENDS TO BE LOCAL, NOT REGIONAL

Credit Suisse and Campden research - Philanthropy in Asian is not primarily tax driven but is to deliver social impact with genuine desire to create a better world using Labuan IBFC's private foundations.



LABUAN IBFC PRIVATE FOUNDATION

### DRIVEN BY RELIGION



## NEW APPROACHES

### CHANGING MINDSET



Asians are becoming more open.



In public: governmental support for philanthropy has also increased in a number of Asian countries.

### RISE OF YOUNG ULTRA



35% of Asian wealth is expected to pass into the hands of millennials in the next 5 to 7 years.



Millennial ultra-rich individuals actively engage in strategic philanthropy, social enterprises and support social entrepreneurship.

### TECH-ENABLED PHILANTHROPIC



Technology is becoming a powerful philanthropy enabler in Asia. Example: China's Tencent Charity Foundation.



Focus should be on sustainable giving. Labuan IBFC, being a wholesale innovative intermediation centre, provides various technology-enabled structures via the concept of a "digital wrapper" with a dedicated focus on encouraging financial inclusion through its digital/ Distributed Ledger Technology (DLT) technology and structures or licences.

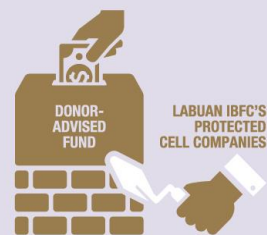
## GREATER ACCESS TO PHILANTHROPIC

### BEYOND HOME



Greater access to philanthropy.

### STRUCTURED GIVING THROUGH DONOR-ADVISED FUND



Using donor-advised funds across Asia and this can be set up via Labuan IBFC Protected Cell Companies (PCC).



The successful implementation across Asia requires governments to facilitate regional collaboration between the regulators and commercial players from different countries.

COVID-19 has created a heightened need for cross-border collaborations.



Recent reports have shown rising worldwide philanthropic giving due to the COVID-19 pandemic that has reached US\$1 billion.

## RECOGNISE THE REMARKABLE CORPORATIONS OR INDIVIDUALS



Have made substantial donations.



Innovated in the space of philanthropy.

Contributed to the success of philanthropic programmes.



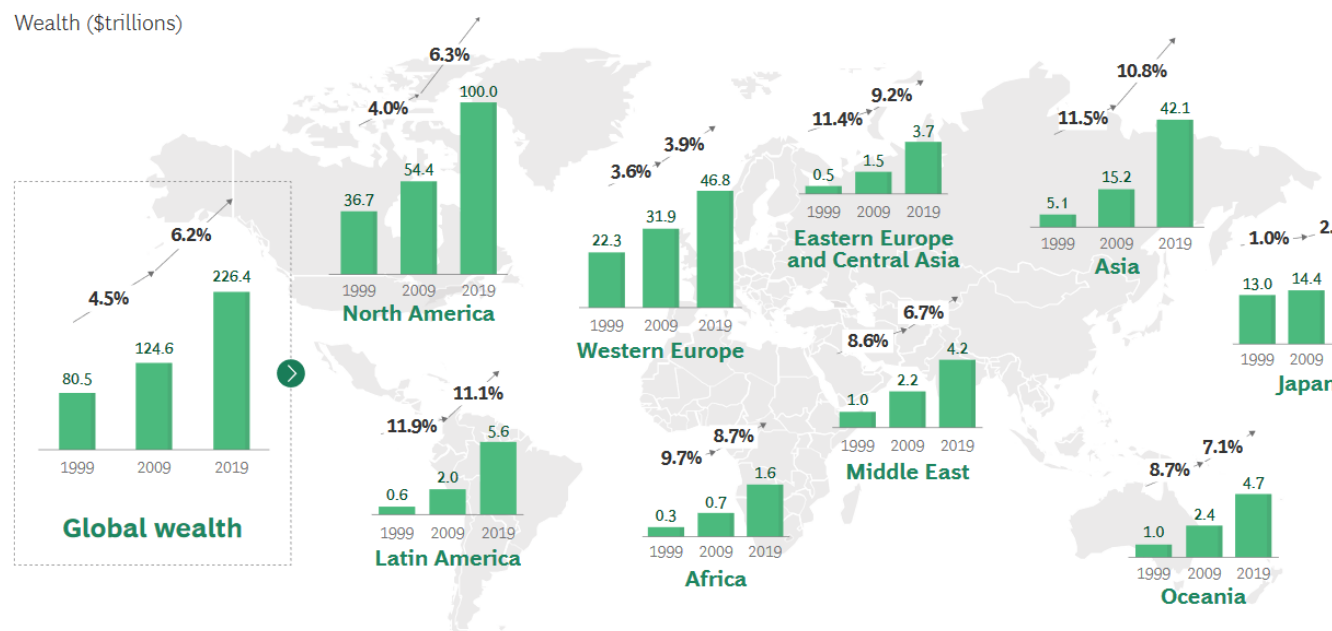
Actively expanding access to philanthropy.



Personal financial wealth has soared over the past two decades—nearly tripling on a global basis from \$80.5 trillion at the end of 1999 to \$226.4 trillion at the end of 2019.<sup>1</sup> (See Exhibit 1.) That trajectory is even more impressive in light of the many economic disruptions that have occurred during this period.

As we look back across the past two decades and ahead into the next two, we can identify several major findings.

## Exhibit 1 - 20-Year Wealth Development by Region



# Rise of Asian Global Wealth

Source: Global Wealth Report 2020—BCG Global Wealth Market Sizing Database.

Note: Wealth in local currency was converted to US dollars at the 2019 year-end exchange rate across all time periods. Financial assets are per SNA 2008 reporting standard, in \$trillions. Growth percentages for the period 1999–2009 and 2009–2019 represent the relevant compound annual growth rates over the period. Total private financial wealth consists of cash and deposits; bonds, equities and investment fund shares; life insurance and pensions; and other small asset classes.

# Malaysia's Hungry Banking on Charity to Get Through Lockdown

By Zsombor Peter  
July 29, 2020 08:29 AM



A man selects fresh produce at a mobile food bank run by Kechara in Kuala Lumpur. (Zsombor Peter/VOA)

KUALA LUMPUR - On the 15th floor of a shabby, low-rent apartment block in north Kuala Lumpur, Justin Cheah stepped out of a rickety elevator with a bulging bag of groceries and headed for the unit flanked by a dusty shrine to the elephant-headed god Ganesh, the "remover of obstacles."

Cheah is lending the deity a hand. The groceries, and a 10-kilogram bag of rice, are for one of the hundreds of new families the charity he runs, Kechara, has been helping to feed since the coronavirus pandemic sent Malaysia into a stifling lockdown in mid-March that has yet to be lifted in full.

## CHILD MARRIAGE



### The Worth of a Girl

## VOA News on China

Report: Made in Hollywood, Censored by Beijing



## VOA News on China

Huawei Running Out of Smartphone Chips under US Sanctions



## VOA News on China

China Seals Off Villages After Bubonic Plague Deaths



## Economy & Business

TikTok Threatens to Sue after US Moves to Ban App



## COVID-19 Pandemic

How Philippines Got Runaway COVID-19



# Covid-19: Hong Kong food charity struggles to assist needy as partners suspend donations

by **RHODA KWAN**  
17:45, 6 AUGUST 2020



A Hong Kong charity is struggling to provide food resources to sustain the city's poorest and most vulnerable during the Covid-19 crisis.

The FoodLink Foundation and Breadline were left with limited places to turn for food donations this week after Maxim's Group — one of their major partners — said on Sunday that all donations would be suspended owing to the coronavirus resurgence.



Photo: Sherin Siew.

Before the shortage, Breadline was a research project serving a crucial role in diverting food leftovers from landfills to the homeless and low-income individuals. Its founder, Daisy Tam, developed the Breadline web application at MIT as part of her work at the Hong Kong Baptist University to address the logistical issues in redistributing edible leftover food products across Hong Kong.

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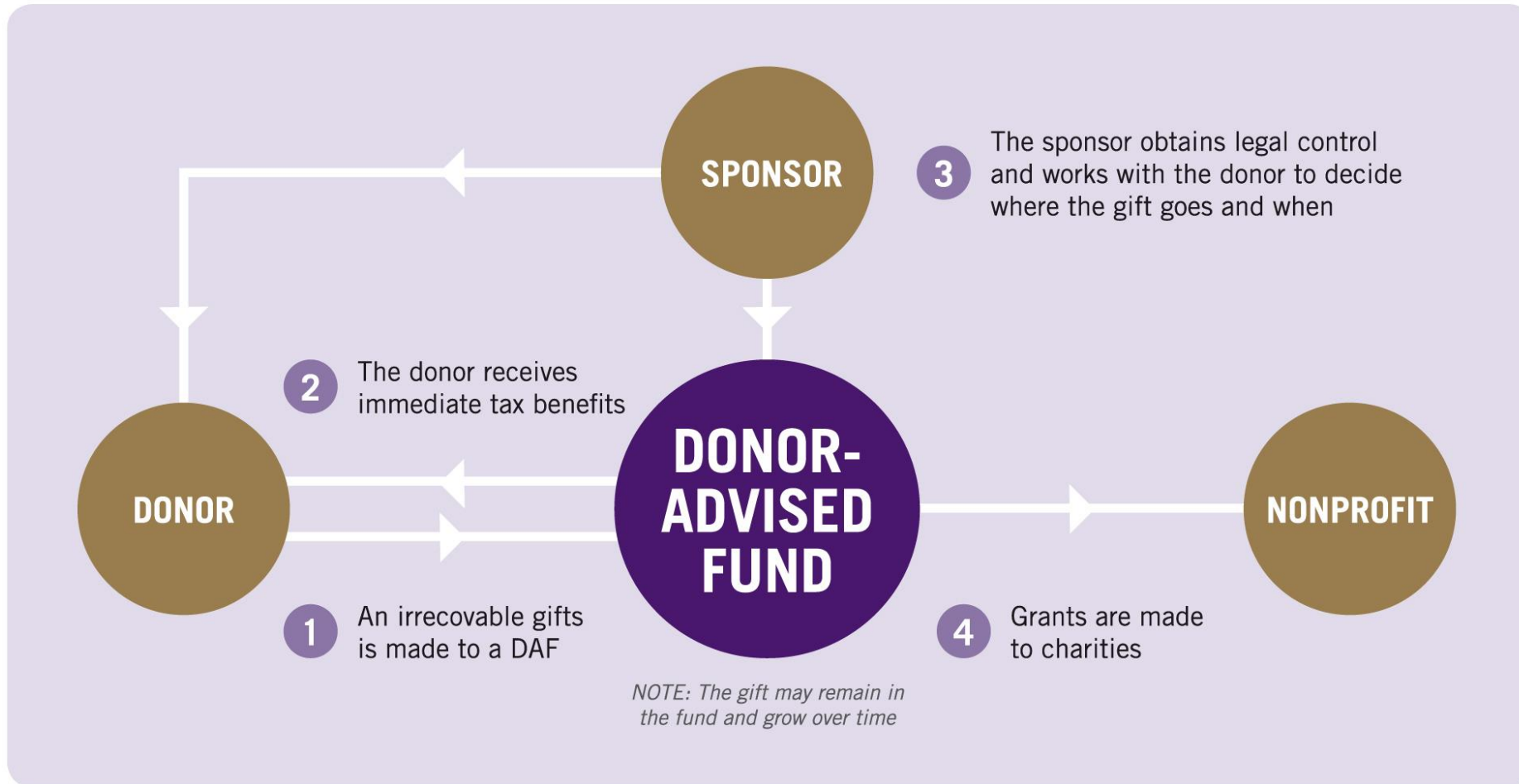
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# Facilitating Philanthropy: Donor-Advised Funds



Structure of a Donor-advised Fund

### Established on November 12, 1991

- Authorized by the Ministry of International Trade and Industry (MITI), the present Ministry of Economy, Trade and Industry (METI)
- 100 million yen, basic money necessary for founding OCF, was donated by Osaka Chamber of Commerce and Industry (OCCI). Osaka City and Prefecture Governments donated 25 million yen each as operational funds in 1992.
- The first "community foundation" in Japan
  - The first Chairman of the Board of Directors: the late Keizo Saji  
then OCCI Chairman and Chairman of Suntory Ltd.
- The present President of the Board of Directors: Tsutomu Miyagi  
OCCI Executive Director

### Area of service

Unrestricted, but Osaka Prefecture and its adjacent area in the main

### Funds

- 1991 ~ May 2020

The number of funds:	266
Total amount of giving:	4,270,278,476 yen
The range of fund amount:	10,000 yen to 414 million yen
The number of bequests:	14
- fiscal 2019

Newly established funds:	3 (Amount of giving:	31,000,000 yen)
Added to existing funds:	14 (Amount of giving:	29,821,988 yen)
Total	17 (Total	60,821,988 yen)
- Types of funds

permanent funds	120
non-permanent funds	146
grant-making funds	243
operational funds	23
types of grant-making funds:	
(1) unrestricted funds	53
(2) field of interest funds	169
(3) donor-advised funds (10 million yen and more)	14



公益財団法人 大阪コミュニティ財団  
The Osaka Community Foundation

[HOME](#) > ENGLISH PROFILE

The donor-advised fund will remain along with one's name and become an everlasting oasis of the society, which will participate in making the future generation a rich one.



#### **Grandmother Kim Gun-Ja fund**

Grandmother Kim Gun-Ja, who was a sex slave under Japanese rule, donated all of her assets to the Beautiful Foundation, saving only enough for funeral costs. With her donation, the "Grandmother Kim Gun-Ja Fund" was established to support college tuition for orphans. This was the first fund established in the Beautiful Foundation.



#### **Hara Welfare Foundation fund (Hara Fund)**

Ms. Seo Mi-Suk, who established Hara Welfare Foundation to support under privileged children and handicapped people, closed her private foundation and donated its assets to the Beautiful Foundation, establishing the "Hara Fund." She made this choice in order to support more people without the regular operational costs of a foundation.



#### **Jung Hee-Kyung your sunshine fund**

Ms. Jung Hee-Kyung, a business owner and leader of a cultural foundation, decided to made a donation instead of holding her 70th birthday party. Thus, the "Your Sunshine Fund" was established. This fund supports medical check ups and costs for low-income single mothers.



#### **You Moo-Chong library for philanthropy fund**

Respected businessman You Moo-Chong established a fund to build a philanthropic library and support staff education for the systemic creation of a philanthropic culture in Korea. The You Moo-Chong Library for Philanthropy is the first library specializing in nonprofit fundraising and operations in Korea. The underlying philosophy of the library comes from Mr. Yoo: "To support welfare directly is important. However, if the staff become more skilled and educated, one can become ten, and ten can become one hundred."





# 1% Sharing

1% Sharing is the flagship campaign of the Foundation. The goal of this campaign is to make people realize that sharing does not necessarily require a large sum of money. 1% represents the smallest amount that we can share.

## Sharing 1% is a beautiful habit

You don't need a big start. You can share the smallest things in your life.

## Sharing 1% will not burden you

1% symbolizes the smallest amount that you can share without feeling any strain. It does not represent 1% of your income, but of your heart.

Sharing 1% of your salary, income, revenue, budget, allowance, or pension can be beautiful. You can also give special gifts on birthdays, anniversaries, or as a gesture of simple thanks.

You can share your special talents and abilities, such as repair skills, the creation of art, cooking skills, or computer expertise. For example, entertainers help the Beautiful Foundation by sharing their dancing, singing, and other gifts, as well as through donations from their performances.

You can share your own 1%. Share what you have, what you want, what you can. There is nothing in this world that we cannot share.

**A Beautiful World : It all starts with a little sharing!**



**Table 2** Community foundations list from the CFC (as of December 15, 2016)

	Foundation name	Founding year	Background
1	Guangdong Harmony Foundation	2009	Independent
2	Chegndu Gonghe Community Development Foundation	2009	Independent
3	Shenzhen Taoyuan Community Development Foundation	2012	Independent
4	Shanghai Beautiful Mind Community Foundation	2012	Independent
5	Shanghai Yangjing Community Foundation	2013	Governmental
6	Shanghai Xinhouxiangqian Community Foundation	2013	Independent
7	Foshan Shunde Fengjian Community Construction Foundation	2013	Governmental
8	Shenzhen Nankeng Community Dream Foundation	2014	Governmental
9	Shenzhen Yuhe Xiyong Community Development Foundation	2014	Governmental
10	Shenzhen Longgang Nanling Community Foundation	2014	Governmental
11	Shenzhen Guangming Yulv Community Foundation	2014	Governmental
12	Shenzhen Guangming Fenghuang Community Foundation	2014	Governmental
13	Shenzhen Guangming Baihua Community Foundation	2014	Governmental
14	Chongqing Taoyuanju Community Development Foundation	2014	Independent
15	Shenzhen Guangming Xinqiang Community Foundation	2014	Governmental
16	Shenzhen Guangming Zhenmei Community Foundation	2014	Governmental
17	Jiaxing Xiuzhou Xinteng Community Development Foundation	2014	Governmental
18	Shenzhen Futian Huaqiangbei Community Foundation	2014	Governmental
19	Tianjin Taoyuanju Community NGO Development Foundation	2014	Independent
20	Shenzhen Pingshan Community Foundation	2014	Governmental
21	Shenzhen Yantian Yong'an Community Foundation	2014	Governmental
22	Shenzhen Bao'an Haiyu Community Foundation	2014	Governmental
23	Chongqing Mintai Community Philanthropy Development Foundation	2015	Governmental
24	Hangzhou Xiacheng Shiqiao Community Development Foundation	2015	Governmental
25	Shanghai Yangpu Jiangpu Community Foundation	2015	Governmental
26	Shanghai Yingjiang Community Foundation	2015	Governmental
27	Beijing Sicheng Chaoyangmen Community Foundation	2015	Governmental
28	Shenzhen Longhua Zhangkengjing Community Foundation	2015	Governmental
29	Shanghai Pudong Ningxinjuli Community Development Foundation	2015	Governmental
30	Shenzhen Guangdong Community Foundation	2015	Governmental
31	Shanghai Taopu Community Foundation	2015	Governmental
32	Shanghai Zhenru Community Foundation	2015	Governmental
33	Shanghai Pudong Lujiazui Community Foundation	2015	Governmental
34	Shenzhen Nanshan Shekou Community Foundation	2015	Independent
35	Nanjing Jiangning Dongshan Strict Dream Community Foundation	2015	Governmental
36	Shanghai Yichuan Community Foundation	2015	Governmental
37	Shanghai Caoyang Community Foundation	2015	Governmental
38	Shanghai Wanli Community Foundation	2015	Governmental
39	Shanghai Shiquan Community Foundation	2015	Governmental
40	Shanghai Changshou Community Foundation	2015	Governmental
41	Shanghai Ganquan Community Foundation	2015	Governmental
42	Shanghai Jiading Community Foundation	2015	Governmental
43	Shanghai Meihao Linfen Community Development Foundation	2015	Governmental
44	Shanghai Yangpu Yanji Community Foundation	2015	Governmental
45	Shanghai Changzheng Community Foundation	2015	Governmental
46	Shanghai Changxing Community Development Foundation	2015	Governmental
47	Shanghai Changfeng Community Foundation	2015	Governmental
48	Shenzhen Pingshan Kengzhi Community Foundation	2016	Governmental

**Table 2** continued

	Foundation name	Founding year	Background
49	Shenzhen Yantian Meisha Community Foundation	2016	Governmental
50	Shenzhen Bao'an Xixianglijin Community Foundation	2016	Governmental
51	Shanghai Yangpu Wujiaochang Community Foundation	2016	Governmental
52	Beijing Qihua Community Foundation	2016	Governmental
53	Chifeng Hongshan Community Development Foundation	2016	Governmental
54	Shanghai Jiangchuan Community Development Foundation	2016	Governmental
55	Shanghai Yiqi Community Foundation	2016	Governmental
56	Beijing Anhe Community Foundation	2016	Governmental
57	Shenzhen Bao'an Langxin Community Foundation	2016	Governmental
58	Shenzhen Bao'an Shaqi Community Foundation	2016	Governmental
59	Shanghai Fengxian Xidu Community Development Foundation	2016	Governmental
60	Shenzhen Bao'an Anle Community Foundation	2016	Governmental
61	Beijing Yongcheng Community Foundation	2016	Governmental
62	Shanghai Fengxian Leju'nanqiao Community Foundation	2016	Governmental
63	Shenzhen Yantian Haishan Community Foundation	2016	Governmental

## From giving to impact

The Community Foundation of Singapore was founded in 2008 to encourage and enable philanthropy in Singapore. Since then, we have set up 139 donor advised funds, raised \$147 million in donations and given out some \$82 million in grants.

We match donors' interests with causes and offer ways for them to make a greater impact through their charitable funds. With our deep understanding of local issues and evolving needs, CFS identifies gaps and opportunities in the community to foster more effective giving.

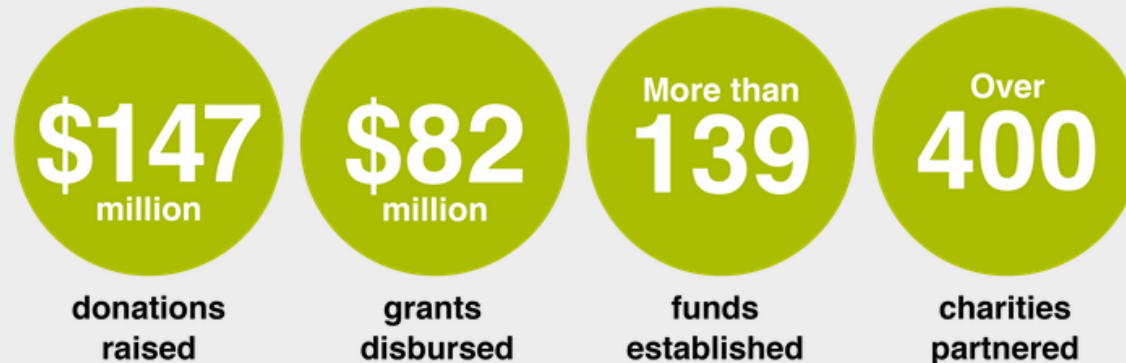
We engage with over 400 charity partners to identify programmes that impact diverse communities. More importantly, we manage funds and grants with a high level of accountability, so donors can be assured their gifts create lasting benefit.

By enabling real and meaningful change, CFS hopes to inspire a philanthropic culture and build a more caring and cohesive society in Singapore. CFS is a registered charity with Institution of Public Character status.

**COMMUNITY  
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Do more with your giving

## Making impact together





## WHAT IS COLABS?

Colabs is a philanthropic initiative pioneered by the NVPC and the Community Foundation of Singapore to drive collaboration by bringing together the public, private and social sectors to tackle complex social issues. It enables the diverse sectors to come together, collectively build insights and work towards collaborating for greater social impact.

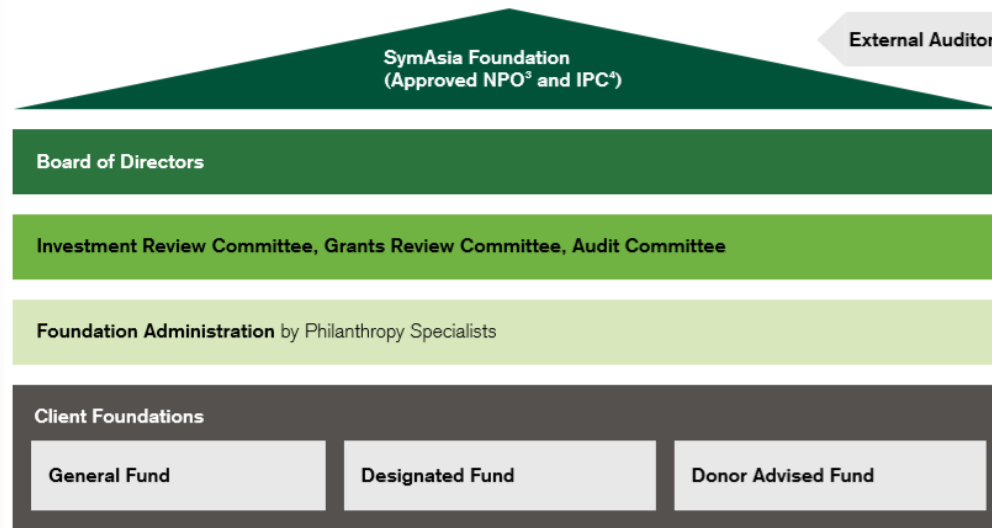
Colabs has since completed a pilot of three series exploring the different causes of Children & Youth, Persons with Disabilities and Seniors. NVPC is in the midst of refining and advancing the process so as to develop it into a comprehensive methodology for any parties who are keen to solve complex issues in a collaborative manner.

“ To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man’s power nor an easy matter.

Aristotle

**Benefits of giving through the SymAsia Foundation:**

- Hassle-free with no start-up costs to set up your own named ‘sub-foundation’
- Customized solutions for all your philanthropic ambitions
- Singapore taxpayers enjoy 250% tax deduction on donations to Singapore charities with IPC (Institution of a Public Character) status
- Your choice of name for your ‘sub-foundation’
- Donors may endow their foundation with gifts other than cash
- Participation and engagement in grant-making and project review
- Renowned Board of Directors



<sup>3</sup> SymAsia Foundation Limited (SymAsia) is a Non-profit Organization (NPO) under the Economic Development Board of Singapore’s (EDB) Tax Incentive Scheme. It is incorporated as a Company Limited by Guarantee in Singapore. The Foundation will be subject to an annual external statutory audit by an international public accounting firm.

<sup>4</sup> SymAsia also runs the SymAsia Singapore Fund, which enjoys Institution of a Public Character (IPC) status under the Singapore Charities Act.

The disclaimer at the end of this material also applies to this page.

## Our Leadership

### SymAsia's Board of Directors

We are governed by an independent and renowned Board of Directors chaired by Professor Tommy Koh, Ambassador-at-Large at the Ministry of Foreign Affairs Singapore. Our Board is responsible for the overall control and supervision of SymAsia, setting the foundation's strategic direction.



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**Jerry Ng**  
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President Director of Bank Tabungan Pensiunan Nasional (BTPN); Former Head of Indonesia and Special Advisor for SEA at TPG Capital; Former Deputy President Director at Bank Central Asia and Bank Danamon; Former President Director of Federal Int'l Finance; Former Deputy Chairman of the Indonesian Bank Restructuring Agency and Former Deputy Head of Badan Penyehatan Perbankan Nasional



**Yeoh Chee Koon**  
Director

Former CEO of NVPC; Initiated the Community Foundation of Singapore; Formerly on various Boards and committees including the Asia-Pacific Philanthropy Forum, International Association for Volunteer Effort, Singapore Youth Award, World Vision Singapore and Focus on the Family

February 2020

# Newsletter

## SymAsia Philanthropy Advisory

Notwithstanding the Forum postponement, we continue to rejoice at our philanthropic journey with our clients over the past 10 years:

- SymAsia has supported 55 client families in setting up and running their own named foundations
- Clients have set aside SGD170M to benefit the vulnerable, promote the arts and protect the environment
- We have disbursed SGD120M on our clients' behalf to more than 300 charities all over the world



# Wall Street is sitting on billions meant for American charities



AP Photo



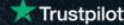

By **Ana Swanson**  
Reporter

June 22, 2016 at 6:00 a.m. GMT+8

Compared with many other wealthy countries, the United States [relies a lot on charity](#). In the U.S., private donors help feed and house the poor, finance orchestras and museums, fund scholarships and universities – social functions that, in many countries, are paid for by governments and tax dollars. In return, the U.S. government offers generous tax breaks on the income that Americans donate to charity.

But some experts believe that changes in the financial industry are putting this longtime relationship at risk. In [an article published Tuesday](#) in *The New York Review of Books*, Ray Madoff, a law professor at Boston College, and Lewis Cullman, a 97-year-old philanthropist who has given much of his wealth to charity, argue that the rapid growth of a type of fund meant to collect, manage and distribute charitable donations on behalf of wealthy donors is obstructing the flow of money to those who need it most -- a claim the industry rejects.

Called “donor-advised funds,” the vehicles act as a sort of middleman between the donor and the charity that ultimately receives the money. Instead of giving money directly to the United Way or the Red Cross, a person can put their money in a donor-advised fund established by a financial firm, such as Fidelity Investments, Schwab, Vanguard or Goldman Sachs.

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## Most Read



# Advantages of DAF

- Donor become the principal actor in philanthropy.
- May allow high-net worth individuals to participate in philanthropy instead of the only ultra high-net worth.
  - E.g. Community Foundation of Singapore – S\$ 200,000 to start a fund.
- Provides effective advisory services for the donor.
- Promotes good governance and reduces the trust deficit.
- Supports charitable organisations that are doing good work.
- May work with other social sectors to solve pressing problems.
- A fund for a 'rainy' day during a time of crisis.



## Doing Good Index: pieces of the puzzle

### TAX AND FISCAL POLICY

- Incentives for Donors
- Incentives for Recipients

### REGULATIONS

- Flow of Funds
- Accountability
- Communication
- Efficiency

### PROCUREMENT

- Access to Procurement Opportunities
- Procurement Process

### ECOSYSTEM

- Public Perception
- Institutional Recognition
- Talent Infrastructure
- Good Governance

## Doing Good Index: four clusters<sup>+</sup>

NOT DOING ENOUGH			
 Cambodia*	<b>DOING OKAY</b>		
 Nepal*	 Bangladesh*	<b>DOING BETTER</b>	
	 China	 Hong Kong	<b>DOING WELL</b>
	 India	 Japan	 Singapore
	 Indonesia	 Korea	 Taiwan
	 Malaysia	 Pakistan	
	 Myanmar	 Philippines	
	 Sri Lanka	 Vietnam	
	 Thailand		

<sup>+</sup> Economies in each cluster are arranged alphabetically.

\* Bangladesh, Cambodia, and Nepal are new additions to the Doing Good Index.



# Concluding Thoughts

- For wealth management professionals including lawyers to nudge clients into thinking about effective philanthropy.
- Setting up well-governed DAFs in other regions of Asia to promote philanthropy.
  - May be government linked or private DAFs.