



UNLOCKING CROSS-BORDER PHILANTHROPY IN ASIA

AN ASSESSMENT OF DONOR INTEREST & INFRASTRUCTURE READINESS



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APC contributed its network and partnerships in Singapore and throughout the region to ensure a full picture of the market opportunity emerges from the work, as well as surveyed key donor and foundation communities. Their pulse on regional information and existing data has been critical to gathering, analysing, and interpreting data and to reviewing the report's findings.

KBF played an advisory role, lending its deep experience in building the Transnational Giving Europe (TGE) network, providing guidance on the framework for the assessment, and sharing best practices from TGE to inform the practical solutions and recommendations put forth by this research.

In addition to these key partners, the data in this report reflects the inputs of dozens of individuals and organisations across Asia that lent their expertise and feedback. We sincerely thank them for their time.

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TABLE OF CONTENTS

04	■	About this Study
06	■	Executive Summary
10	■	Methodology
12	■	Regional Landscape for Cross-border Giving
13	■	Asia's Cross-border Giving Trends
		Philanthropic Outflows
		Philanthropic Inflows
		Drivers of Philanthropy
24	■	Asia's Enabling Environment for Cross-border Giving
		Regulatory Environment for Cross-border Philanthropy
		Asia's Infrastructure for Cross-border Giving
44	■	Unlocking Cross-border Philanthropy in Asia
45	■	Levels of Market Readiness
		High – Australia, China - Hong Kong SAR, Japan, South Korea
		Medium – China - Mainland, New Zealand, Singapore
		Low - India, Malaysia, Nepal, Philippines, China - Taiwan, Thailand, Vietnam
50	■	Practical Solutions for Unleashing Cross-border Giving
57	■	Further Recommendations
57	■	Further Engage Asia-based Donors in Cross-border Giving
58	■	Navigate Regulatory Environments to Build Cross-border Giving
59	■	Build Asia's Infrastructure for Cross-border Giving
60	■	Conclusion

ABOUT THIS STUDY

Philanthropy is about donors, charitable institutions, and the communities they serve. Trust is a key ingredient in these relationships. As partners to all of these stakeholders, the authors of this study have witnessed the importance of trust building and the fruits borne from partnerships that form to develop charitable projects serving Asia's diverse communities.

Private philanthropy and charitable giving are long-standing, traditional tools used across Asia to address disparities and poverty. Yet, the tools and infrastructure for regional philanthropy and regional charitable giving are still early in their development.

This study focuses on a very specific idea that more private funders in Asia are committed to solving some of the most pressing issues facing the region and looking beyond their own countries and territories to make meaningful change. This idea is at the heart of a growing discussion around whether and how regional philanthropy within Asia will develop as wealth increases.

Prior to this study, the authors had an idea of the landscape of cross-border giving based on prior research, informal conversations, and our accumulative grantmaking experiences in several markets. This study aims to assess these assumptions by exploring the nuanced perspectives of a diverse group of philanthropic stakeholders and their respective markets. It will also expand our existing knowledge to more potential markets in the region.

Broadly, the study aims to answer two key questions



Is there appetite and need for infrastructure that supports cross-border giving within Asia?



If so, what locations, institutions, and services might be involved to build such infrastructure?



To answer these questions, this study looks at the landscape of cross-border philanthropy in 15 economies in the Asia-Pacific region.

EXECUTIVE SUMMARY

Growing Wealth, Growing Need

Asia is home to more billionaires than any other continent in the world. Wealth Report 2021 estimates that 36% of billionaires globally are in Asia, and the region will see its fastest growth in ultra-high net-worth individuals between 2022 and 2026.¹

Yet, while Asian countries have seen tremendous economic growth during the past 20 years, they also have seen a significant growth in income disparity between their richest and poorest communities.

In bridging this gap, millions of charitable nonprofits and institutions play a role in their countries and communities to provide services that range from poverty alleviation, education, healthcare, disaster response, environmental conservation, and more. As wealth in Asia steadily rises, along with entrepreneurship and global connectivity, we are seeing many wealthier Asian communities looking beyond their own country's borders to make a regional and global impact.

Asia's Cross-border Giving Trends

Having the highest current levels of cross-border giving volume in the region, Australia, Japan and South Korea rank in the top 10 countries with highest philanthropic outbound volume globally.² However, these markets have experienced slow to no growth in outward giving in the last 10 years, according to widely shared perceptions in the sector. Although no consolidated data on cross-

border giving is available for Indonesia, Malaysia, Nepal, the Philippines, Singapore, China -Taiwan, Thailand, and Vietnam, sector experts suggest there remains a strong focus on domestic giving in these markets. The full volume of cross-border philanthropy in Asia is hard to capture given the discreet giving culture and limited comprehensive data on cross-border giving across the region.

Some key trends emerged from our interviews with local stakeholders across 15 markets. While these trends are likely different depending on the donor community, these results offer insights that inform practical solutions to grow cross-border giving.

Charity in Asia is overwhelmingly conditioned by relationships. Asian philanthropists giving across borders tend to look close to home by giving to their countries of origin or to communities sharing their same ethnic roots.

Giving that is aligned with government priorities was also found to be an important factor for donors of all types.

Unlike some other regions of the world, transactional feasibility and tax incentives do not seem to play a large role in the decision making of many donors. This indicates both a challenge to professionalising the sector but also shows the power of relationships in promoting philanthropy across borders.

We find that cross-border giving is not increasing in Asia on its own and not all markets will be feasible sources for cross-border giving. While there is latent potential for increased giving, particularly among younger Asian philanthropists

and corporations with a regional footprint, additional support is needed to unlock this opportunity.

Asia's Regulatory Environment for Cross-border Giving

Laws and regulations in Asia are evolving. Donors, charities, and grantmaking intermediaries are experiencing an overall stringent regulatory environment but with varying levels of enabling policies regarding cross-border giving. Most Asian countries impose specific restrictions on how philanthropic funds can be used abroad. These restrictions range from requirements for government approval for the permitted use of funds, banking regulations on transactions of cross-border funds, and additional reporting requirements for cross-border funding and activities. Furthermore, limited clarity regarding what philanthropic transactions are allowed, or the lack of a clear compliance checklist against concerns about money laundering and terrorism financing, add significant worries for donors and cause many to shy away from even trying to give overseas. Although tax incentives for charitable giving are relatively generous in half of the locations in this study, they play a minor role in influencing donors due to the challenges in claiming such benefits.

Overall, Australia, China - Hong Kong SAR, Japan, New Zealand, and South Korea have the most favourable regulatory frameworks to enable cross-border giving in the region. While the remaining markets do not have favourable policies for outbound giving, it is important to acknowledge that these markets are primarily on the receiving end of cross-border donations and also see an overall tightening and increase of regulatory barriers to cross-border financial flows.

We find that policies for cross-border giving differ greatly from market to market. Even in markets where favourable policies exist, the complications suggest there is a role for intermediaries to better facilitate the process.

Asia's Infrastructure for Cross-Border Giving

The availability of sector infrastructure to support cross-border giving in Asia is limited in comparison to North America and Europe. Ecosystem enablers working on cross-border philanthropy to ensure effectiveness, transparency, and accountability; to advocate for enabling policies; and to build an outward giving culture are essential to expand cross-border giving.

When considering this necessary support infrastructure across the region, we see a more mature ecosystem present where there is higher demand for cross-border giving services such as in Australia, China - Hong Kong SAR, Japan, New Zealand, and South Korea. We see positive developments in emerging giving markets such as mainland China, while support infrastructure in other markets focuses heavily on services for recipients of cross-border funding. However, there is a growing body of knowledge and thought leadership in the region focusing on cross-border philanthropy, which signals a widening audience interested in regional topics, and acknowledges the strong need for information and data on Asia's philanthropy sector.

We find that given the complexity of cross-border giving regulations, language differences, and the time-consuming nature of building donor relationships, intermediary services will be critical in helping to build trust with private funders located in various countries and representing different interests and cultures of the region.

Unlocking Cross-border Philanthropy in Asia

Despite mounting challenges with regulations and a modest level of cross-border giving in the region, our analysis shows that there is pent up demand for cross-border giving and ways to encourage greater cross-border philanthropy within the region.

Levels of Market Readiness

Given the above assessment in each location of existing outbound giving, regulatory environment, and philanthropic support infrastructure, economies in Asia demonstrate various levels of readiness to embrace new solutions to encourage greater cross-border giving.

HIGH

Having the highest level of outbound giving in the region, these markets are the least restrictive supported by **enabling regulatory environments**. **Diaspora groups**, younger generations, and corporations with regional footprints are among donor groups with potential to grow cross-border giving. Mechanisms exist to claim **tax incentives for cross-border giving**, however, there is inadequate knowledge transfer to help donors understand which overseas social issues to tackle, who to trust and support, and how to allocate funds effectively. These markets are ready to expand cross-border giving with adequate support mechanisms to facilitate cross-border giving and to connect donors with a wider range of regional and international needs.

AUSTRALIA
CHINA - HONG KONG SAR
JAPAN
SOUTH KOREA

MEDIUM

Each of these markets face a distinct set of challenges such as highly restrictive regulatory environments toward cross-border giving. While these markets enjoy a **high concentration of wealth** with clear signals of a moderate level of readiness to increase cross-border giving, more work is needed to **advocate for lowering barriers** to cross-border giving, strengthen the **support ecosystem**, and build **best practices and relationships** to encourage funding to other locations.

CHINA - MAINLAND
NEW ZEALAND
SINGAPORE



LOW

These markets have limited potential and are less favourable towards cross-border giving as **domestic needs are high** and donors place greater focus on domestic philanthropy. Significant changes in political will, regulatory environment, and an overall societal shift in mindset toward international collaboration will be needed to enable greater readiness for cross-border giving. While these markets are not ready for outbound cross-border giving, they have high **potential for receiving private foreign funding**, particularly given the **growing wealth among diaspora communities from neighbouring countries and other parts of the region**.

INDIA
INDONESIA
MALAYSIA
NEPAL
PHILIPPINES
CHINA - TAIWAN
THAILAND
VIETNAM

Practical Solutions for Unleashing Cross-border Giving

The authors of this study and several other institutions are encouraged by the findings of this research to begin discussions to form a cross-border philanthropy network within Asia. We welcome others to join us in helping to build this mutually beneficial infrastructure for the region.

In High- and Medium-ready markets, the stage is set to grow cross-border giving. National-level philanthropy enablers can begin discussions to build a transnational giving network for Asia. These enablers play a vital role to draw on diverse strengths and abilities of the sector to encourage further dialogue, share best practices, and facilitate cross-border giving at a regional level. It is recommended that each market is supported by a knowledgeable savvy partner to address compliance risks and bring transparency into the process for donors and local charities. This extra layer of support will bridge knowledge and cultural gaps, and build trust between donors and vetted cross-border initiatives.

Building a successful network across multiple countries will hinge on a concerted effort by the wider ecosystem and their ability to provide the necessary local infrastructure and support. This includes engaging donors on regional issues and processes, improving the overall enabling environment for cross-border philanthropy, creating opportunities for giving between countries with aligned interests, and building an outward and impact-driven giving culture in the region.

As countries acknowledge challenges brought about by the COVID-19 pandemic and the need for a coordinated global response to facilitate “resilience, recovery, and inclusive growth following the crisis,”³ philanthropy should be part of the conversation as a tool to help communities around the region recover and thrive.

METHODOLOGY

| Data Sources

Our findings draw on both primary and secondary data sources. We conducted primary data collection by interviewing 150 participants across 15 markets made up of private and corporate donors, intermediaries, and key sector stakeholders.

These interviews give us insights about key factors that motivate, influence, and hinder their giving decisions. Information from discussions with sector experts and charities provide an understanding of common practices, regulatory environments, and the overall trends in cross-border opportunities in each context.

We also surveyed 135 nonprofit organisations across 8 locations that are among the top receiving destinations for cross-border giving within Asia for insight on capacity, needs, and challenges when receiving foreign funding. The secondary data from existing literature provides information to assess the general cross-border giving landscape and feasibility in various Asian markets.



interviewed 150
participants in
study locations



surveyed 135
non-profit
organisations
across 8 locations

| Index Construction

The Readiness Index is an assessment of a market's readiness level to be part of a regional giving network. The assessment is based on three key domains:

1. Existing level of cross-border giving,
2. Regulatory environment, and
3. Philanthropic infrastructure.

Extra emphasis is applied to the regulatory environment index as this measures the degree to which a favourable enabling environment exists; or from another angle, the degree to which regulatory barriers for grantmaking organisations and intermediaries enable the disbursement of funds overseas.

This index is thus the key determining factor of cross-border flows and was given the highest weight at 50%.

Existing level of cross-border giving and Philanthropic infrastructure were given a weight of 25% each as the former provides an indication of the current giving ability but is not a determining factor to donors' giving decision and the latter plays a supportive role overall.

DOMAIN

INDICATORS

SCORE INTERPRETATION (RANGE 1-4)



Existing level of cross-border giving

- Outbound giving volume (estimated range based on various studies and general sentiments from expert interviews)
- Outflow as a proportion of total philanthropic giving

A higher score indicates a high level of existing cross-border outbound giving



Regulatory environment

- Policy towards registration, government approval, reporting
- Restrictions on the purpose and use of donation amount
- Fund flow restriction (banking regulations)
- Ease of legal implementation
- Tax incentives and eligible mechanisms for cross-border giving

A higher score indicates favourable policy for cross-border giving with minimal restrictions on giving practices and financial flow, and a relatively clear and predictable implementation process. It also indicates higher ability for donors to claim tax incentives for cross-border giving



Philanthropic Infrastructure

- Presence of ecosystem players to ensure transparency & accountability
- Evidence of policy advocacy effort and presence of actors to advocate for an enabling regulatory environment for cross-border giving
- Presence of ecosystem players to improve giving culture

A higher score indicates a more mature and supportive ecosystem for improving accountability and trust, enabling environment, and outward giving culture for cross-border philanthropy

REGIONAL LANDSCAPE FOR CROSS-BORDER GIVING

The landscape of international philanthropy today is far more diverse than it was 20 years ago. Historically, cross-border philanthropy has been driven by the Global North and heavily influenced by a post-colonial legacy focusing on poverty alleviation in the Global South.



As wealth in Asia steadily rises, along with entrepreneurship and global connectivity, we are seeing a shift in this dynamic.

Philanthropists from wealthier economies in the region have been making significant contributions to global development. Many wealthier Asian communities are looking within their own region to make an impact without relying on the incentives and cross-border giving infrastructures used in Europe and North America. Insights from this section will serve as important inputs to assess the readiness level of markets and to inform the practical solutions for unleashing cross-border giving in the region.

01

ASIA'S CROSS-BORDER GIVING TRENDS

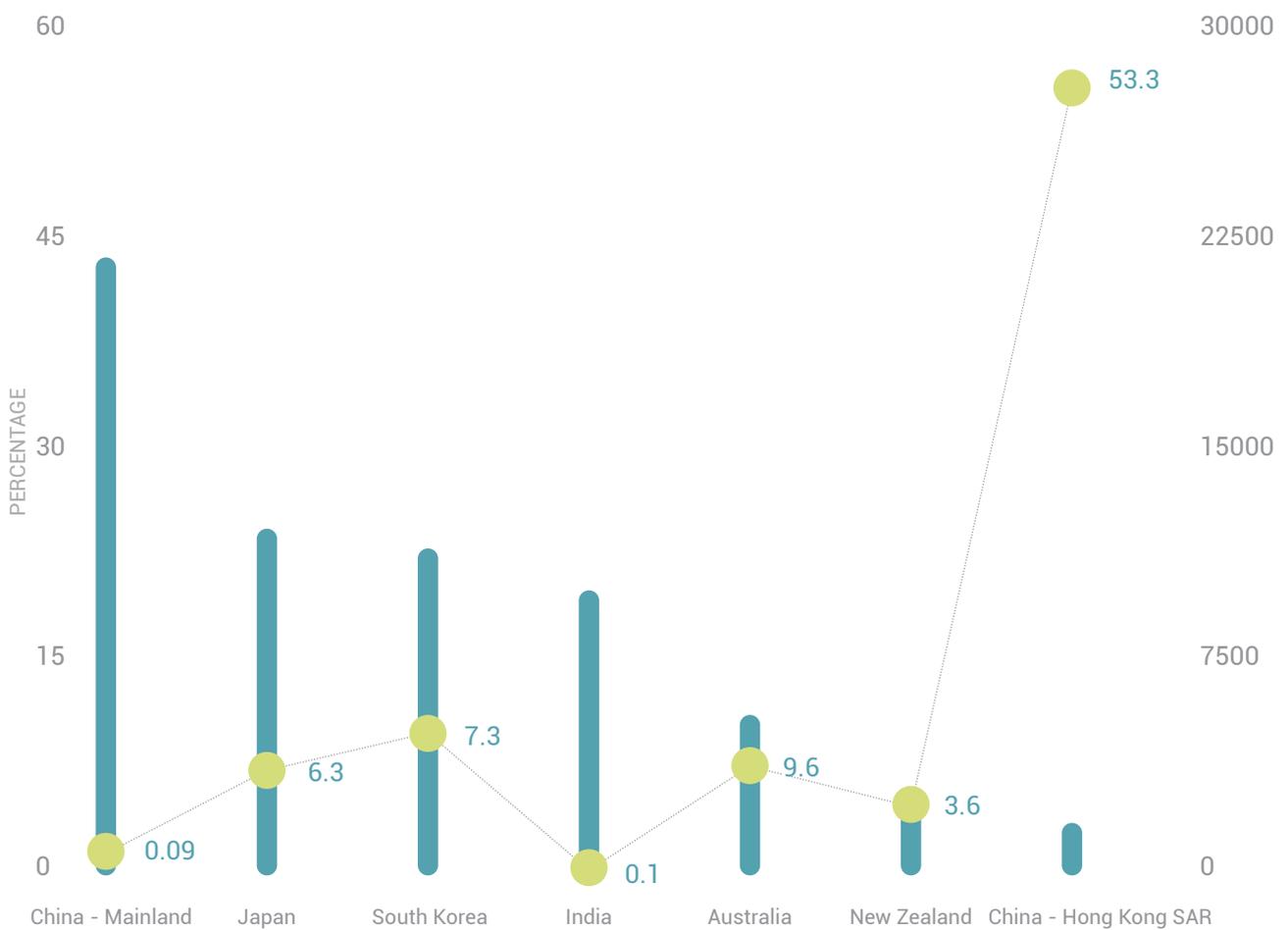
Cross-border giving is not increasing in Asia on its own, and not all markets will be feasible sources for cross-border giving. While there is latent potential for increased giving, additional support is needed to unlock this. Interviews with donors across the 15 markets reveal that relationships — whether between donors and the charities or local communities they support or with their own governments or those of recipient markets — condition the giving motivation of the majority of Asian donors we spoke with. Furthermore, unlike some other regions of the world, transactional feasibility or tax incentives do not seem to play a large role in the decision making of many donors. This indicates both a challenge to professionalising the sector but also the power of relationships in promoting philanthropy across borders.

Philanthropic Outflows

Although available data is patchy and inconsistent in the ways it was collected, consolidated literature on philanthropic giving information for each market provide a partial, yet telling picture of the existing philanthropic flows in the past five years in a number of markets in the region.

Comprehensive cross-border philanthropic data is hard to come by due to the lack of systematic data collection in most locations, resulting in only a number of countries being included in Figure 01 with the most recently available data within the last five years.

FIG 01 PHILANTHROPIC GIVING VOLUME



LEGEND



Total giving volume



Percentage of cross-border giving

SOURCES

Statista
Inference from Allian Support Report
Global Philanthropy Tracker 2020
Dasra/Bain India Philanthropy Report

Australia Charities Report
JBWere New Zealand Support Report
Giving Hong Kong report 2016-2017

Outflow volume

Australia, Japan and South Korea lead the region in cross-border giving volume. According to the Global Philanthropy Tracker,⁴ with an estimated annual philanthropic outflow of around US\$750 million from each market in 2018, these three markets rank in the top 10 countries with highest philanthropic outbound volume globally. However, conversations with key sector players indicated slow to no growth in the last decade in cross-border giving from these markets.

No consolidated data exists on cross-border giving from Indonesia, Malaysia, Nepal, the Philippines, Singapore, China -Taiwan, Thailand, and Vietnam. However, interviews with a wide range of stakeholders in Singapore suggest a somewhat moderate level of cross-border giving volume from private individual donors. Interviews with sector experts from these locations suggest there is a strong focus on domestic giving in these markets while private philanthropy often is conducted directly between donors and beneficiaries in private, away from public eyes and official statistics.

Outflow as a proportion of total philanthropic giving

Outbound giving from Asia has been much more modest than domestic philanthropy. Outbound giving from China - Hong Kong SAR makes up more than half of total giving volume, making it an exception in the region. Cross-border giving makes up a single digit portion of total philanthropic volume in other donor-centric markets such as Australia, Japan, South Korea and New Zealand. While emerging economies in the region such as China and India have seen significant growth in domestic philanthropy volumes, cross-border outflows remain insignificant.

The existing Cross-Border Giving Index (Figure 02), measured by the nominal volume and the proportion between outbound giving and the total philanthropic giving volume, to the extent of available data and general perception of key sector players, provide an indicative assessment of the strength of cross-border giving from each location. China - Hong Kong SAR, Australia, Japan, New Zealand, and South Korea lead the region in existing cross-border giving performance.

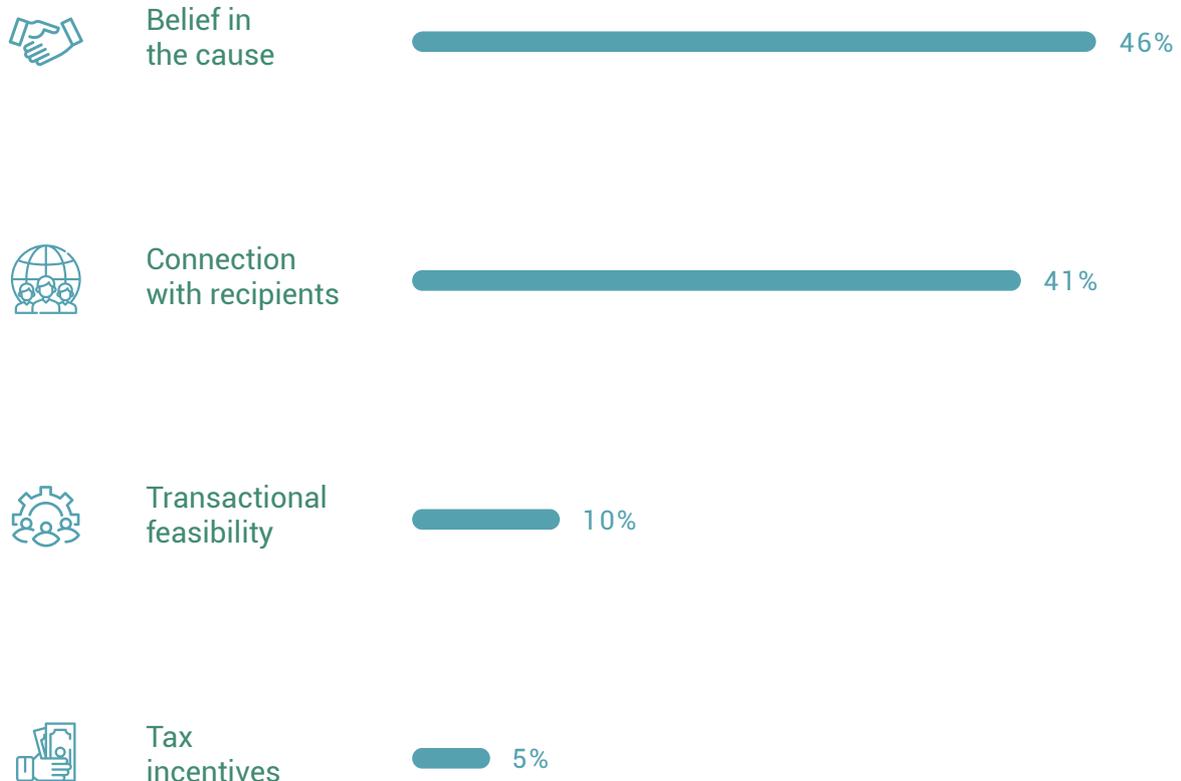
Markets that rank low in the index generally are recipients of foreign funding while philanthropic giving focuses primarily on domestic causes.

Drivers of Philanthropy

To promote further cross-border giving in the region, those of us in the philanthropy and charitable sector need to understand what motivates donors to give abroad, their giving preferences, and how charitable organisations make themselves seen to international audiences.

Drawing from trends that emerged from our interviews with donors across 15 markets and who actively engage with cross-border giving, this section provides a peek into the giving preferences of this subset of philanthropists. The sentiments that surfaced in these conversations can help to identify what services or capabilities would be needed to grow cross-border giving.

FIG 03 KEY FACTORS INFLUENCING DONORS' GIVING



Top Motivations for Cross-border Giving



Philanthropy in Asia is overwhelmingly conditioned by relationships, indicating both a challenge to professionalising the sector but also the opportunity to promoting philanthropy across borders through the power of networks.

Philanthropy in Asia is overwhelmingly conditioned by relationships. Donor motivations often start from the desire to support one's family and community before extending support to a larger national or regional community. When giving expands beyond one's borders, donors often give back to the countries and communities where they have family roots. China, Vietnam, and Indonesia are the top recipients of cross-border funding from the donor group we interviewed, given the widespread diaspora communities from these countries across Asia, particularly in Australia, China - Hong Kong SAR, China - Taiwan, and Singapore.

This type of giving among private donors is often kept discreet, and few formal structures exist for public calls for funding or project proposals. Hence, when it comes to gaining trust and access to donors, nonprofits focus their interactions on relationships rather than transactions. Direct referrals are often used in place of professional services. This explains the two most important factors that motivate our participating donors to give abroad, as seen in Figure 03, are

1. the connection to the cause, and
2. the connection to the recipients.

Unlike other regions of the world, transactional feasibility and tax incentives do not seem to play a large role in the decision making of many donors.

Donors who ranked tax incentives as an important factor were mainly corporate donors. This could be the direct result of the generally low personal income tax rates in Asian countries and individual donors lacking the capacity to navigate tax claim requirements. This indicates both a challenge to professionalising the sector but also the power of relationships in promoting philanthropy across borders.

Aligning giving with government priorities is important. Donor and nonprofit relationships are not only bound by the regulations set by the government but also by the signals government sends to the private sector regarding what is appropriate or encouraged behaviour. Forging positive relationships with relevant government entities is particularly key in Asia. Over the past 10 years, the Japanese and South Korean governments have pivoted and increased their development funding more toward Africa. This shift also was found among some private philanthropists from Japan and South Korea in our study.

Similarly, China's One Belt One Road Initiative and the growing stature of the China International Development Cooperation Agency (CIDCA) in Asia and Africa strongly influence the giving direction of Chinese corporations and foundations, whose businesses straddle the two continents. Aligning one's giving strategy with national and geopolitical strategic considerations is important and helps private donors stay in their respective governments' "good books".

Donor giving patterns and the landscape of cross-border philanthropy in Asia therefore are changing as the region's complex geopolitical situations evolve.



Top Thematic Areas for Cross-border Giving

Education and health remain the top thematic areas of concern for donors. This trend is not unique to Asia. According to the SDG Funders website hosted by Candid, foundations (primarily representing U.S.-based grant-makers) have since 2016 overwhelmingly supported



Goal 3: Good Health and Well-Being



Goal 4: Quality Education.⁵

Supporting higher education institutions in Europe and North America is a popular cause among Asian ultra-high net-worth individuals.^{6,7,8}

The Asia Pacific is the region most impacted by climate change. The region has experienced 70% of the world's natural disasters since 2000 and has seen increased intensity and frequency of natural disasters at a regional scale. Causes that tackle environment-related issues receive increasing attention and support, particularly as ESG agendas gain traction among businesses in the region.

FIG 04 TOP GIVING CAUSES AMONG DONOR PARTICIPANTS



A small portion of donors supported activities that help build philanthropic infrastructure such as financial services, capacity building, social entrepreneurship, and rule of law. Issues such as the arts, migrants' rights, gender, etc. rank low on the agenda and attract the least amount of attention from donors giving across borders.

The future of philanthropic giving from these markets, domestically and internationally, might thrive through a blended model between social impact economy and traditional philanthropy.

Anticipated Trends for Cross-border Giving

Younger Asian philanthropists are an emerging donor group. Being accustomed to broader networking through new technology and social media, younger Asian generations are exposed to a diverse set of issues beyond those in their own community. While many older and first-generation diaspora donors typically orient to their own communities and can hold a more nationalistic view of giving, the next generation of high net-worth individuals is increasingly keen on global citizenship,⁹ and there is a trend toward causes such as climate, animal welfare, migration, humanitarian issues, etc. that are likely to require a more transnational response.¹⁰ They are more hands-on and want to be part of the process of shaping their future. This group presents potential demand for services to either kickstart their international giving journey or expand it.

Corporations with a regional footprint are another potential donor group with an appetite for a new cost-effective giving infrastructure. As the earlier data shows, tax incentives are found to be more important for corporate donors, particularly those from Australia, China, Japan, and South Korea. Giving services could be desirable if they enable tax-deductible giving to locations where corporations have business interests or enable corporate matching to support employee giving in communities where local subsidiaries are based.

Donors are increasingly interested in innovative approaches to social impact. Donors in markets such as Japan and South Korea, particularly big corporate donors and high net-worth individuals, are increasingly exploring new forms of giving such as impact investing and supporting a social economy. The future of philanthropic giving from these markets, domestically and internationally, might thrive through a blended model between social impact economy and traditional philanthropy.



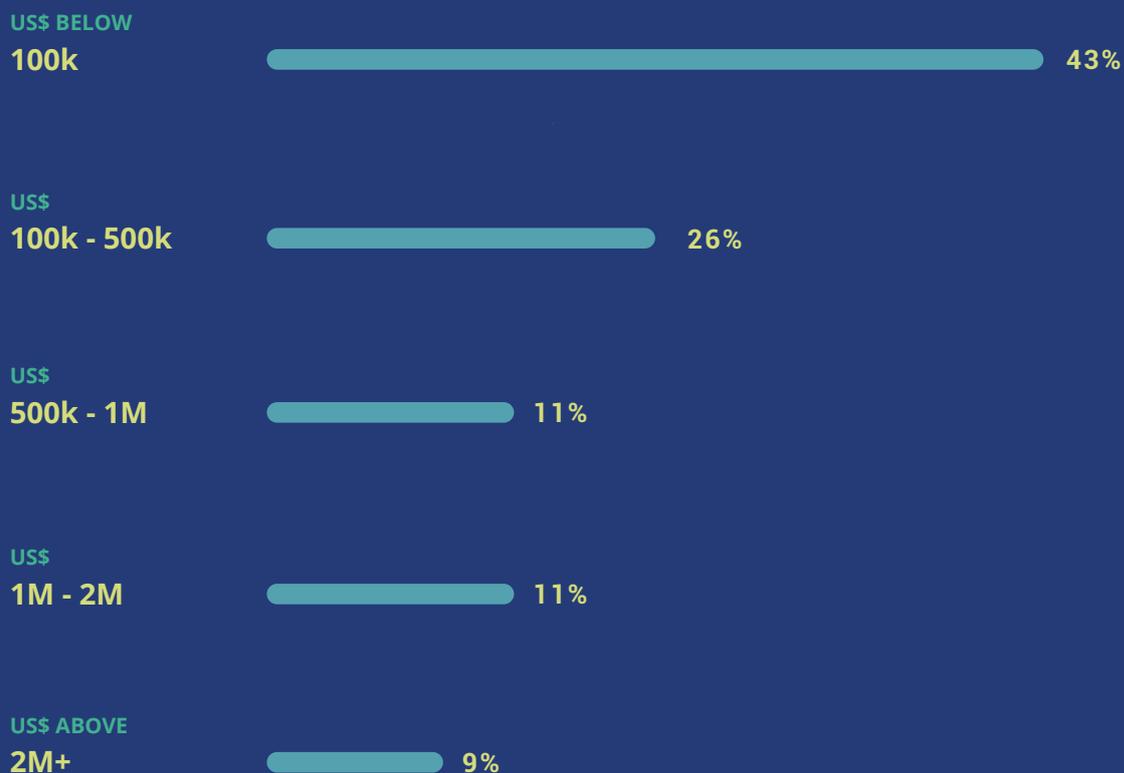
Philanthropic Inflows

China, India, Indonesia, Malaysia, Nepal, Philippines, China-Taiwan, Thailand, and Vietnam are the top markets for receiving cross-border giving in the study. The needs and capacity of the social sector in these locations directly determine donors' giving decisions.

Trends survey 135 nonprofits

Some important trends to note from our surveys of 135 nonprofits from these markets:

FIG 05 ANNUAL VOLUME OF FOREIGN FUNDING IN THE LAST 5 YEARS BY SIZE



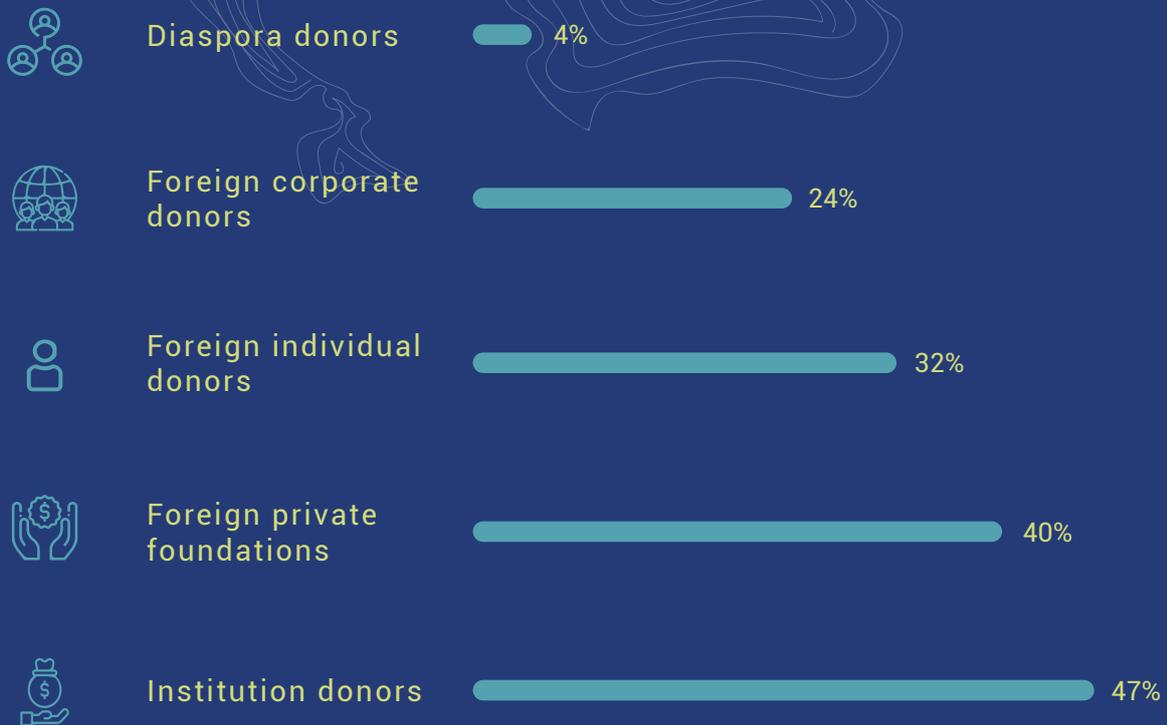
Foreign inflows reportedly accounted for more than 90% of the total budget for half of the organisations receiving between US\$100,000 to US\$500,000 from foreign donations in the latest financial year. Furthermore, over half of the 135 organisations surveyed experienced a decreasing trend in foreign donations in the past 5 years – in particular those in Indonesia, China - Taiwan, and Thailand.

FIG 06 FUNDING SOURCES BY REGION

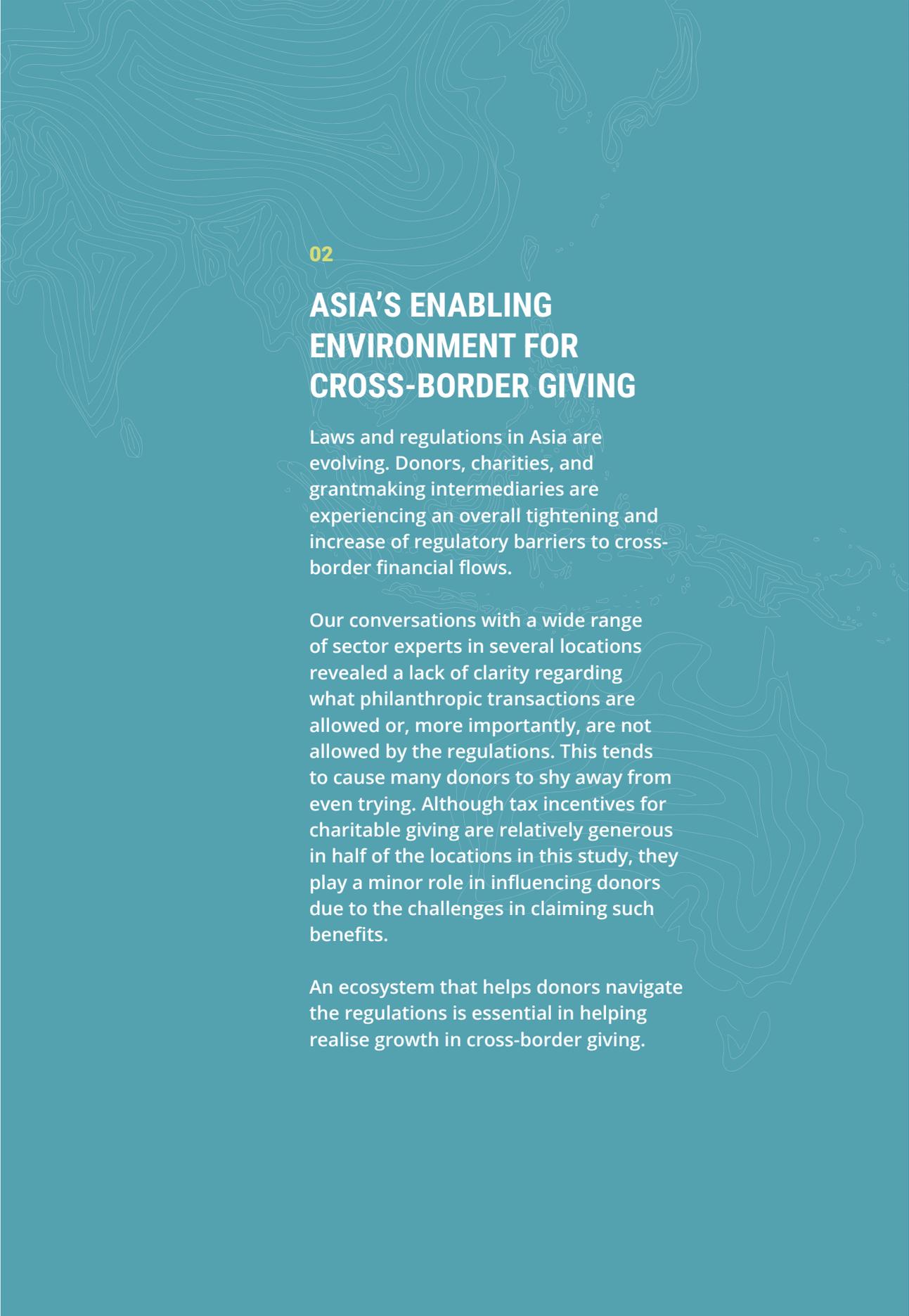


A majority of surveyed organisations receive private funding from North America and Europe. Only 22% report receiving private funding from Asian donors.

FIG 07 FUNDING SOURCES BY TYPE OF DONORS



Institutional donors (including bilateral and multilateral donors) and large private foundations are the major sources of inflows. Fewer organisations receive funding from foreign individual and corporate donors, indicating lower access to these funder groups and expressed need for services to provide greater exposure to overseas donors.



02

ASIA'S ENABLING ENVIRONMENT FOR CROSS-BORDER GIVING

Laws and regulations in Asia are evolving. Donors, charities, and grantmaking intermediaries are experiencing an overall tightening and increase of regulatory barriers to cross-border financial flows.

Our conversations with a wide range of sector experts in several locations revealed a lack of clarity regarding what philanthropic transactions are allowed or, more importantly, are not allowed by the regulations. This tends to cause many donors to shy away from even trying. Although tax incentives for charitable giving are relatively generous in half of the locations in this study, they play a minor role in influencing donors due to the challenges in claiming such benefits.

An ecosystem that helps donors navigate the regulations is essential in helping realise growth in cross-border giving.

Regulatory Environment for Cross-border Philanthropy

Regulations affecting the ability of funders and grantmaking entities to send donations abroad, the consistency and clarity of the laws in practice, and tax policies all directly impact donors' giving decision and the volume of cross-border giving.



This section will discuss enabling policies and restrictions regarding these factors as part of the assessment of a market's readiness level to grow cross-border giving.

Regulations affecting the ability of charities to receive foreign funding will be discussed separately to provide a more complete picture of the regulatory environment governing both philanthropic inflows and outflows, however, they are not considered in the regulatory index.

Regulations on Outbound Donations

In the U.S., the regulatory framework allows a registered charity to operate in the same manner overseas and at home under a comparable set of requirements regarding their charitable activities.

However, most Asian countries impose specific and unique restrictions on what a charity can do abroad. With concerns about money laundering and terrorism financing, many governments in the region view overseas giving as risky and impose restrictive processes. These restrictions range from requirements for government approval for the permitted use of funds, banking regulations on transactions of funds, and additional reporting requirements for cross-border funding and activities. Although stringent financial control systems are critical to prevent unlawful transactions, the process often lacks a clear compliance checklist, adding significant worries for donors.

We found five broad levels of restrictive regulations on philanthropic outbound donations.

Restrictive regulations

Singapore, Malaysia, Indonesia, China - Taiwan, and Thailand have restrictive policies that require project-based approval for pre-determined activities abroad. Singapore also has in place a "80:20 rule," which limits the proportion of funds raised publicly for cross-border activities that can be used overseas to only 20%. However, these locations do provide some support for overseas giving through exceptions to the rule commonly given for disaster relief and other special circumstances.

Due to the limits in place in these locations, some donors participating in this study send money to foreign charities through personal direct bank transfers rather than through a foundation or philanthropic intermediary.

Highly restrictive regulations

At the tail end of the enabling environment spectrum are China - Mainland, India, Nepal, and Vietnam with highly restrictive regulations on outbound cross-border giving. China and India only approve outgoing funds on rare exceptions, mostly for disaster relief and other special circumstances. Cross-border donations from Vietnam are nearly impossible due to the lack of clear guidelines while it is illegal in Nepal for individuals and organisations to send donations outside the country.

No clear regulations

The Philippines is a unique case with no clear regulatory framework nor explicit restrictions for cross-border giving but the approval process is perceived to be rigid and challenging.

Moderately favourable regulations

Australia, Japan, New Zealand, and South Korea require special registration status for cross-border giving, limiting options available to donors to support activities overseas:

- Australia: Public Benevolent Institutions (PBIs) with Deductible Gift Recipients (DGR) Item 1¹¹ status or International not-for-profit development organisations accredited by the Department of Foreign Affairs and Trade (e.g. Oxfam, Save the Children, etc.)¹²
- New Zealand: Schedule 32 status (otherwise known as “overseas donee status”) for international humanitarian aid organisations.¹³ All other charities can only distribute a maximum of 25% of total annual funds to charitable purposes outside of New Zealand to be able to issue tax deductible receipts to donors
- Japan: Approved Specified Non-profit Corporations or Designated Public Interest Promotion Organisations
- South Korea: Charitable Organisations registered with the Ministry of Economy and Finance (MOEF)

Some of these markets also place limits on the general scope of activities available for cross-border support as well as a specific cap on the donation amount that would trigger additional reporting to the relevant authority.¹⁴

Highly enabling regulations

China - Hong Kong SAR¹⁵ leads the region with the most favourable regulatory environment. Any charitable organisations recognised by the Inland Revenue Department (IRD) can provide donors the same tax deduction for both domestic and cross-border giving with no additional permission or reporting required. It applies as long as the donation supports service delivery domains, excluding human rights and advocacy groups for democracy. However, the introduction of the 2020 National Security Law and new guidelines for charities signal possible changes to the enabling environment in the future.



Ease of navigating laws

Ambiguity in regulations further limits cross-border giving in many locations. Some experts interviewed argue that the widespread lack of clarity in how a law is implemented and limited knowledge of the relevant regulations play a stronger role in hindering cross-border giving. Although the process of obtaining special statuses for cross-border giving in Australia, Japan, New Zealand, and South Korea is often onerous, having clear and comprehensive compliance guidelines allow grantmaking entities to navigate these regulations with relative efficiency.

Many other markets lack clarity in what is allowed or not allowed by existing regulations. The lack of clear guidelines on the types and size of donations allowed from Vietnam results in banks often blocking outbound transactions to err on the side of safety. Similarly, without a clear regulatory framework for cross-border giving, making grants abroad from the Philippines is perceived to be “tricky”, which can lead to costly consequences.¹⁶ Such ambiguity tends to promote a perception that cross-border giving is filled with roadblocks and challenges, leading some donors to give from offshore accounts from locations where the regulations are clearer or where donors perceive less risk.¹⁷

“The process to obtain Public Benevolent Institution (PBI) status may pose barriers for small domestic NGOs with limited access to legal services that operate overseas or can subgrant. However, the process of setting up a PBI has become less burdensome with clear instruction, leading to a massive increase of PBIs in the past 6 months.”

Australian grantmaker



Tax incentives for cross-border giving



A recent study on Taxation and Philanthropy by Organisation for Economic Co-operation and Development (OECD) pointed out that for the majority of countries around the world, cross-border giving is not incentivised as a general principal.¹⁸

In fact, across Asia, tax incentives for donors who wish to support foreign causes are only available in some locations through indirect giving mechanisms.

Traditionally, the most commonly available channel, and in many cases the only channel to support foreign activities with tax benefits, is through donating to a domestic branch of international non-governmental organisations (INGOs) such as Oxfam, Save the Children, Action Aid, etc. However, this mechanism limits donors' funding to only supporting activities run by these organisations abroad. Recent changes to the regulatory frameworks such as the introduction of the Public Benevolent Institutions (PBIs) with Deductible Gift Recipients (DGR) Item 1 status in Australia has provided donors with many more options to pursue their international giving interest while benefiting from tax incentives available for charitable donations in their own country.

Recent changes to the regulatory frameworks have provided donors in Australia with many more options to pursue their international giving interest while benefiting from tax incentives available for charitable donations.

South Korea and Japan have relatively significant tax incentives for individuals and corporate donors, however, with fewer eligible giving mechanisms for cross-border activities. Besides giving to the local branch of various INGOs present in those countries, donors can claim tax benefits when giving to approved domestic organisations as mentioned in the previous section.

However, Japan requires that 70% of funds raised domestically must be spent on an organisation's business expenses, which significantly limits donors' ability to support activities outside of Japan. South Korea requires donors to report to the National Tax Service¹⁹ on any donations above US\$50,000 to overseas organisations, adding significant administrative burden to donors. Donors motivated by tax incentives in these locations are likely to prefer giving to domestic NGOs or intermediaries with international operations rather than directly to foreign charities given current tax incentive policies.

While China - Mainland²⁰ and Singapore both have attractive tax benefits for charitable giving, attaining tax benefits for cross-border giving in practice is extremely difficult for donors from these locations. Only a small group of approved Chinese foundations with strong government support can issue tax deductibility receipts to donors, while there is no straightforward mechanism for donors in Singapore to receive tax benefits for giving to activities overseas.

Tax incentives in remaining markets, including India, Indonesia, Malaysia, Nepal, the Philippines, Thailand, and Vietnam are relatively low compared to the administrative process required in seeking permission to send donations abroad and claiming a tax deduction.

Thus, while big corporate donors look to maximise their tax benefits with large donations to major disasters in the region

(or more recently, the COVID-19 pandemic), the tax-claiming process is deemed too complicated and "not worth it" for small or individual donors in most locations.²¹

Taking in consideration the specific regulations on outbound donations, ease of implementation, and tax policies, markets in the study demonstrate an overall stringent regulatory environment but varying levels of enabling policies regarding cross-border giving. Australia, China - Hong Kong SAR, Japan, New Zealand, and South Korea have the most favourable regulatory frameworks to enable cross-border giving in the region.

Although the remaining markets do not have favourable policies for outbound giving, it is important to acknowledge that these markets are primarily on the receiving end of cross-border donations.

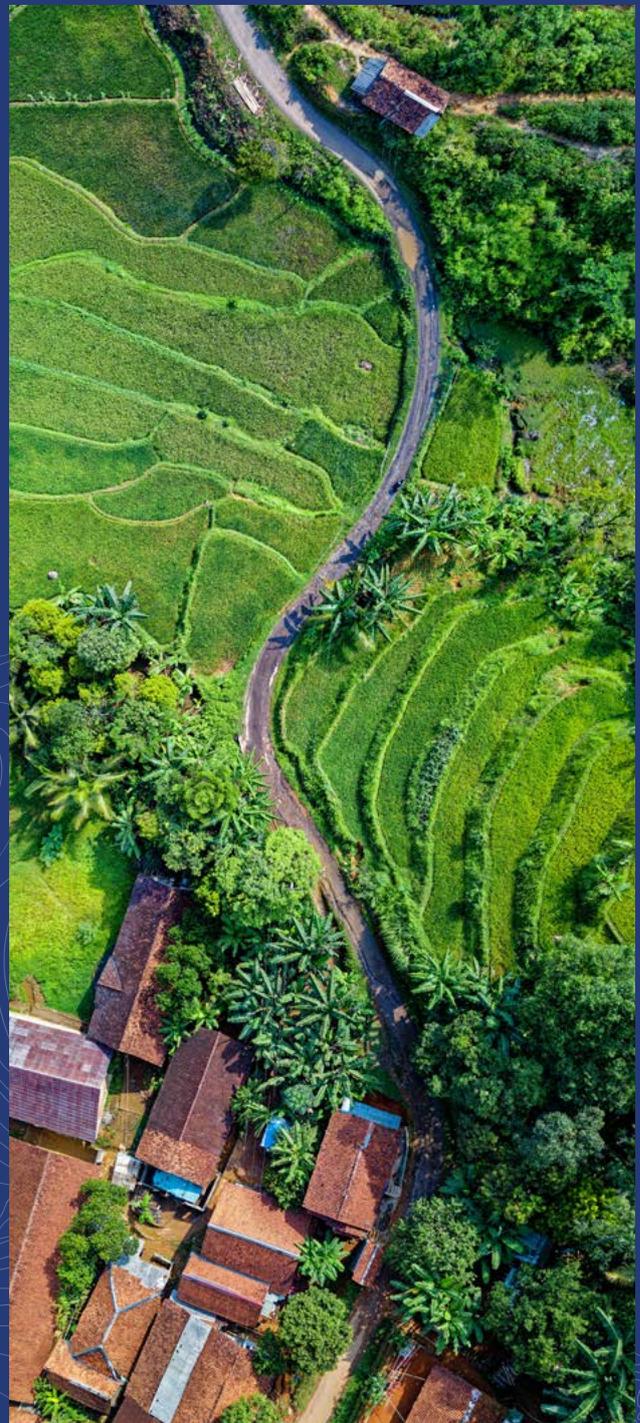
Regulations for Inbound Charitable Funds

The ease of receiving foreign fundings largely determines the resources and effort required for both charities and donors in conducting cross-border giving to a specific market, thus influencing donors' giving decision as a whole.

Receiving funding in Australia, Japan, New Zealand, the Philippines, Singapore, South Korea, and China - Taiwan is generally a straightforward process with no additional government approval required for each donation.

There are, however, varying restrictive regulations related to receiving foreign donations in the remaining eight markets. Thailand and Indonesia require a separate approval process if the donation amount exceeds a certain threshold level. While it usually only takes 1-2 weeks for Thailand, the process can take up to 3-5 months for Indonesia.

Overseas donations to China - Mainland also go through government approval, which can take 2 to 6 months. Organisations in India, Nepal, and Vietnam face the most stringent regulatory requirements when receiving foreign funding. Recent changes in the Foreign Contribution (Regulation) Act of 1976 (FCRA) in India inhibit sub-granting and pose significant regulatory challenges for recipient organisations, particularly for smaller organisations seeking to receive overseas funding.



According to the Doing Good Index 2020, many social service delivery organisations in Asia reported funding decreases of 20% or more as a result of increasing restrictions for receiving charitable funds from overseas.²²

FIG 09 RESTRICTIONS FOR INBOUND CHARITABLE FUNDS



Dealing with Complex Regulatory Environments: Foreign Funding to China - Mainland and India

Many countries across Asia are following a trend of becoming increasingly restrictive towards international donors. Onerous laws and administrative hurdles can deter donors from giving. China and India stand out in this regard. While granting to either country requires careful understanding of local law, groups like Give2Asia have been able to successfully navigate these requirements by building trusted in-country relationships and a rigorous due diligence process. The need for intermediaries in this space is becoming more relevant and necessary.



In China, the introduction of the [Overseas Non-Governmental Organisation \(ONGO\) Law](#) in January 2017 has provided two main pathways for international donors who wish to make grants into mainland China, namely the Temporary Activity Permit (TAP) filing or the registration of a Foreign NGO Representative Office. While TAPs were initially seen as the simpler and faster route due to their short programme duration and limited scope, they are now proving harder to get approved. On the other hand, setting up a Foreign NGO Representative Office, the more onerous option, is becoming the preferred mechanism for those China government entities that are approving grants as it allows for building long-term relationships with grantmakers. It is thus seen less risky.

This raises a key insight into trends in the region: building trust is a necessary activity to successfully navigate international giving to and within Asia. Give2Asia, for example, has been operating in mainland China since 2001. After establishing a China Representative Office in 2017, it was afforded nationwide access, along with the ability to facilitate multi-year grants, allowing Give2Asia to become one of the largest advised grantmakers into China. Since 2017, it has facilitated over USD 63 million in grants into China. This track record has required daily work by Give2Asia's staff in China to maintain good relationships with trusted charities and government counterparts, along with rigorous operations that adjust to the changing regulatory landscape.



In India, the [Foreign Contribution \(Regulation\) Act \(FCRA\)](#) regulates the steps that India-based nonprofits must follow in order to receive donations from overseas sources. Recent major amendments to the Act that have significantly increased the administrative burden to NGOs indicate a tightening grip on foreign funding by the government and shrinking civic space.

The new requirements have led to uncertainty in the sector for both donors and recipient NGOs. Restrictions on incoming banking requirements have created a huge bottle neck to both the registration process and fund transactions, leaving many organisations in limbo during the

long wait. The subgranting ban and reduction of cap on administrative costs poses challenges to INGOs who rely on partnerships as well as for groups who focus on research or training where their operations rely mostly on human resources. Further, the Indian government is increasingly blacklisting charitable groups without transparent reasoning. Facing these compounding challenges with FCRA, many donors and INGOs are scaling back activities in India because of administrative burdens and restrictions. However, by funding smaller FCRA registered Indian nonprofits and increasing due diligence requirements when vetting potential groups, these requirements too can be navigated.

The way that both China and India are moving indicates that governments are becoming more careful with how foreign funding into a country is regulated. As this trend grows in the region, it is creating a greater need and opportunity for knowledgeable ecosystem enablers to help create trust-based infrastructure in complex operating environments.

Asia's Infrastructure for Cross-border Giving

The architecture and sector infrastructure to support cross-border giving in Asia is limited when compared to North America and Europe. Ecosystem enablers working on cross-border philanthropy to ensure effectiveness, transparency, and accountability; to advocate for enabling policies; and to build an outward giving culture are essential to expand cross-border giving.

Ensuring Effectiveness, Transparency & Accountability

Transparency, accountability, and fear of corruption are central concerns for both governments and donors. Publicly available annual reports and audited annual accounts of recipient charities are difficult to find despite being required by most governments,²⁴ thus making due diligence on overseas charities a costly and challenging process. The availability of sector infrastructure to conduct due diligence and ensure good governance and accountability of the fund usage is critical in building donor confidence and increasing trust in the sector as a whole. A common response to this study from participants is concern over the **uneven distribution of such professional services currently in Asia.**

A large concentration of philanthropic intermediaries in Singapore and China - Hong Kong SAR facilitate cross-border transactions, such as the Singapore-based Asia Philanthropy Circle (APC) and Asia Venture Philanthropy Network (AVPN)²⁵ who offer theme-focused pooled funds to their donor networks. Give2Asia Foundation facilitates cross-border funding from China-Hong Kong SAR through donor-specific engagements and Friends Funds for vetted overseas charities.²⁶ SymAsia Foundation, an umbrella platform of Credit Suisse, supports clients in their philanthropy²⁷ across the region.

Developing such enabling mechanisms should help to build trust and confidence in the charitable sector, and expand the volume of cross-border giving within the region. Such a structure may also shift philanthropy toward longer-term strategic engagements.

UBS Optimus Foundation, a grantmaking foundation, offers UBS clients philanthropic investment opportunities.²⁸

These are among only a few available one-stop-shop options that provide Asian donors and wealthy individuals in Asia with comprehensive services for effective management of cross-border funding, including due diligence on foreign charities and identification of overseas project opportunities. Similar services are limited for other markets.

The presence of sector standard-setters and accreditation bodies in recipient markets adds a certain level of confidence and trust for foreign donors.

Self-regulation mechanisms for accountability and quality benchmarking are present in India, Indonesia, and the Philippines.

- In India, the Credibility Alliance, a consortium of nearly 600 organisations, set up the Central Accreditation Committee (CAC) – a group consisting of specialists with skills in organisational management, finance, and social work to set sector standards. CAC operates as an accreditation body, aiming to enhance accountability and transparency in the sector.

- Konsil LSM in Indonesia is a council of 190 organisations that supports its members in achieving international accountability and transparency standards in order to increase public trust.
- The Philippines Council for NGO Certification (PCNC) is required by the government for a nonprofit to issue charitable tax receipts to Filipino donors.

CASE STUDY



Collaborative Cross-Border Giving with Asia Philanthropy Circle

The Asia Philanthropy Circle (APC) has a member network of philanthropists spanning 13 markets in Asia, making cross-border giving central to its activities. In its experience facilitating funding to and from various Asian markets, APC has encountered various hindering factors and worked to address them.

The Myanmar Community Development Fund empowers community-driven sustainable and scalable development and includes multiple funding members and in-country partners. However, in Singapore, banks unexpectedly rejected transfer requests without clarification, and government regulators probed about beneficiary organisations and programme details. APC also faced hurdles in Myanmar and has encountered complicated processes for receiving foreign donations in other countries such as Malaysia and Vietnam.

While individual donors face fewer bureaucratic obstacles when giving

directly to overseas projects, they may struggle to identify suitable programmes, conduct due diligence, and set up monitoring and evaluation (M&E) systems without the support of a professional intermediary. For example, APC helped a member assess an Indonesian charity by developing due diligence guidelines and training a local partner to conduct the field work. The review unearthed a need to enhance the charity's governance structures, which APC further supported, resulting in improved professionalisation and trust.

Growing cross-border giving will only bolster regional resilience. During the COVID-19 pandemic, members came together to support the Gavi COVAX facility for vaccines in Asia. But without the infrastructure and intermediaries in place, flow of funds and trust in cross-border giving will dwindle. With better organisational and ecosystem solutions, APC anticipates greater opportunities for joint impact going forward.

Advocating for Enabling Environments for Cross-border Philanthropy

Advocacy efforts for policy changes across Asia are concentrated mainly on domestic philanthropy and not cross-border philanthropy. In recent years, the social and private sectors have seen significant improvements in their role advocating for policy changes. However, much of these efforts are focused on the development of the domestic philanthropic sector. Only Australia saw tangible success in advocacy for cross-border philanthropy. After much lobbying, the deductible gift recipient (DGR) framework reform has broadened the scope of public benevolent institutions (PBIs) to operate and send funds to partners and projects overseas while being eligible to provide donors with tax benefits.²⁹

Over 100 conversations with relevant stakeholders in other markets indicated no awareness of notable advocacy efforts toward lowering regulatory barriers to cross-border philanthropy.



This could be due to how advocacy is seen in Asia. Advocacy directed toward strengthening civil society and philanthropic activities is often perceived as a challenge to the government's agenda. When it comes to cross-border philanthropy, the topic gets even more sensitive as incoming foreign funding is increasingly viewed as a channel for unwanted foreign political influence³⁰ while outbound funding is viewed as pulling needed resources out of the country.

Advocacy tends to take the form of consultation with the government to clarify policies and improving implementation guidelines of new or existing laws. For example, in China, the Ministry of Finance and Ministry of Judiciary is engaged in discussions about lowering barriers to cross-border giving with some outside consultations, according to interviews in this study.³¹ The Singapore government regularly calls upon sector experts to consult on regulatory challenges and policy implications related to cross-border giving.³² While these conversations seem to be more reactive in nature, they nevertheless offer an entry point for further advocacy efforts by relevant stakeholders.

Encouraging Collective Growth and Leadership in Regional Philanthropy

A strong giving culture can only be forged when donors are well informed.

A strong giving culture can only be forged when donors are well informed. However, many donors expressed concern over a **lack of access to information on local needs and the effectiveness of overseas charities**, often due to language and local knowledge barriers, as well as a lack of philanthropy support services providing such information. This reflection speaks to the need for knowledge-sharing and thought leadership in the sector.

China - Hong Kong SAR and Singapore lead the region in the **availability of knowledge-based networks and services** that capture a broad range of regional and global philanthropic trends. Philanthropy-focused research institutions and organisations include Centre for Asian Philanthropy and Society (CAPS), Asian Venture Philanthropy Network (AVPN), Asia Philanthropy Circle (APC), Singapore Management University, and The Centre for Computing for Social Good & Philanthropy, formerly known as NUS Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP) to name just a few. These organisations produce important broad-scaled studies that funders of charitable activities can use to help with decision making. This growing body of knowledge signals a widening audience interested in regional topics and acknowledges the strong need for information and data to encourage collective growth in the philanthropy sector.



Influential knowledge providers in Australia, China - Mainland, and South Korea are building similar resources although keeping their scope mostly on the domestic philanthropy sector. These organisations have laid the groundwork for more engagement in cross-border philanthropy. For example, in 2010, China Foundation Center (CFC) was jointly initiated by 35 well-known foundations in China. CFC develops a comprehensive online database of over 7,000 legally registered foundations, which serves to promote the foundations' development in China as well as contribute to international philanthropic data standards on behalf of China. The Beautiful Foundation in South Korea likewise participates in many major global and regional studies, providing data specific to South Korea for these global comparative studies.

Building a more regionally focused giving mindset also requires collaboration between finance advisors and philanthropy advisors to create a cohesive ecosystem, connecting donors to local needs and trusted charities in various locations. Donors in China - Hong Kong SAR, Japan, Singapore, and South Korea are increasingly interested in a range

of mechanisms to make impact including traditional forms of philanthropy as well as more innovative forms such as social impact investment or social bonds. Only a few wealth advisors in the region offer such a broad spectrum of services including SymAsia Foundation's support of Credit Suisse clients³³ and UBS Optimus Foundation's offerings to UBS clients.³⁴ Sector experts in our study agreed that better collaboration between philanthropic advisors and financial/wealth managers is needed to incorporate philanthropic giving into overall financial planning to encourage better collective growth.

When considering the necessary support infrastructure across the region, we see a more mature ecosystem present where there is higher demand for cross-border giving services such as in Australia, China - Hong Kong SAR, Japan, New Zealand, Singapore, and South Korea.

We have seen positive developments in emerging giving markets such as China - Mainland while support infrastructure in other markets are heavily focused on services for recipients of cross-border funding.

Given the complexity of cross-border giving regulations, language differences, and the time-consuming nature of building donor relationships, intermediary services will be critical in helping to build trust between private funders and recipient organisations located in various countries and representing different interests and cultures of the region.

The Need for Building Cross-border Fundraising Capacity

Nonprofits' ability to connect to donors and access incoming funds affects overall cross-border flows.

The international fundraising capacity of domestic, Asia-based charities is limited based on this study's research. Nonprofits in countries that only recently moved from low to low-middle income status (such as India, Indonesia, the Philippines, Thailand and Vietnam) have a long tradition of partnering with foreign government-related aid. This foreign aid shrinks as these countries' economic status improves, and local charities turn to private philanthropy for new sources of funding.

FIG 11 TOP FACTORS TO UNLOCK FOREIGN FUNDING POTENTIAL TO RECIPIENT



INFORMATION

More information on funding sources

82%



FUNDRAISING CAPABILITY

Internal fundraising capability

66%



INTERMEDIARY SERVICES

Greater availability of intermediary services

53%



REGULATIONS

Changes in regulations

24%



With this change, charities are in need of new fundraising capabilities in order to cultivate relationships with family and corporate donors. To date, these capabilities are limited. From our survey data of 135 charitable organisations in 8 recipient markets, barely half of them have in-house fundraising capacity – domestic or foreign-facing. As noted earlier, this challenge is paired with a demand from donors to have greater access to vetted charities working in target communities.

The large majority of charitable organisations included in this study referenced a need for more philanthropy infrastructure to help them build relationships overseas and share information about their work. This includes 82% of the participants seeking more information on how to find funding sources overseas, with another 66% seeking to build internal fundraising capability.

UNLOCKING CROSS-BORDER PHILANTHROPY IN ASIA

Despite mounting challenges with regulations and a modest level of cross-border giving in the region, our analysis shows that there is pent up demand for cross-border giving and indicates ways to encourage greater cross-border philanthropy within the region.



01

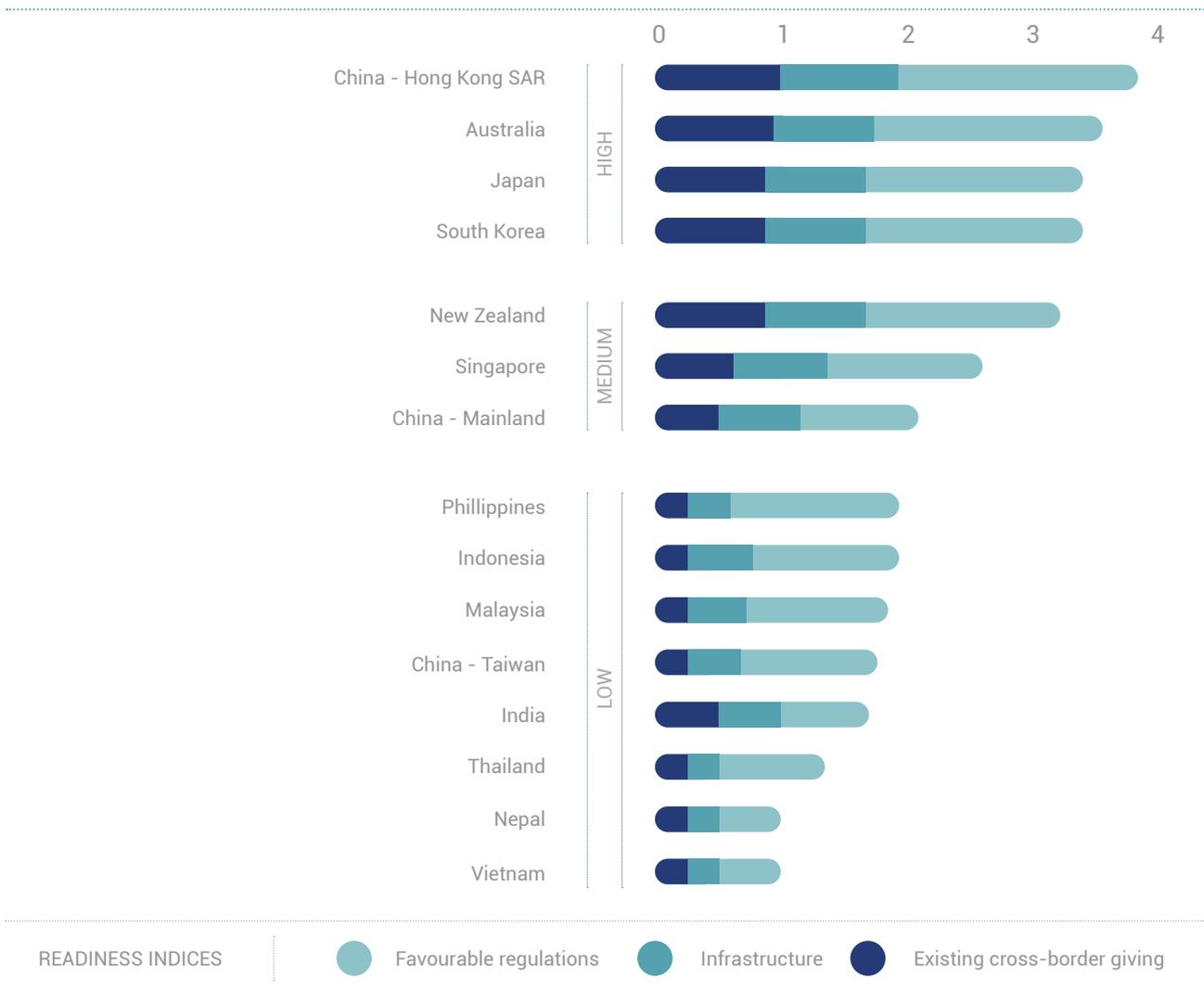
LEVELS OF MARKET READINESS

Given the above assessment in each location of the state of cross-border giving, regulatory environment, and philanthropic support infrastructure presented in previous sections, economies in Asia demonstrate various levels of readiness to embrace new solutions to encourage greater cross-border giving. For markets with a high readiness level, we see strong potential for a network that could enable greater cross-border giving.

While markets in the lower readiness levels may not be a priority as a source of cross-border giving funds, they may be important recipients for cross-border funding. We treat this separately given that the challenges nonprofits face when receiving funding, which we have noted occasionally throughout the report, are distinct from funders.

Together, however, conditions faced by donors, charities, and grantmaking intermediaries are combined to inform the range of solutions recommended in the later sections to increase cross-border activities in the region.

FIG 12 READINESS LEVEL FOR CROSS-BORDER GIVING



Levels of Market Readiness

HIGH

AUSTRALIA, CHINA- HONG KONG SAR, SOUTH KOREA, JAPAN

Having the highest level of outbound giving in the region, these markets enjoy generally open enabling regulatory environments. Diaspora donors, younger donors, and corporations with regional footprints are among donor groups with potential to grow cross-border giving. Mechanisms exist to claim tax incentives for cross-border giving, however, donors lack easily accessible information on regional issues and trustworthy foreign charities. These markets are ready to expand cross-border giving with adequate support mechanisms to facilitate cross-border giving and to connect donors with a wider range of regional and international needs.

GAPS

Donors lack easily accessible information on regional issues and trustworthy foreign charities

OPPORTUNITIES

Diaspora donors, younger donors, and corporations with regional footprints are among donor groups with potential to grow cross-border giving

MEDIUM

CHINA- MAINLAND, NEW ZEALAND, SINGAPORE

Each of these markets faces a distinct set of challenges such as the highly restrictive regulations toward cross-border giving seen in China and Singapore or the narrow scope of cross-border interests among donors from New Zealand. However, these markets enjoy a high concentration of wealth with clear signals of a moderate level of readiness to increase cross-border giving. More work is needed to advocate for lowering barriers to cross-border giving, strengthen the support ecosystem, and build best practices and relationships that will trigger expanded funding to other locations.

GAPS

China and Singapore both face highly restrictive regulations toward cross-border giving. Governments willing to lower the barriers for overseas donations will allow these markets to shift to higher readiness levels. In the shorter term, this could mean these countries allow individual exceptions to existing regulations that will enable donors to give more easily overseas.

On the other hand, New Zealand's challenge rests on the narrow scope of cross-border issues supported by

the government as well as donors' limited awareness of available support mechanisms for cross-border giving.

OPPORTUNITIES

Concentration of wealth and increasing number of HNWIs in all three locations.

Changing appetite among a growing number of family businesses in Singapore, Chinese corporations expanding their operations abroad, and growing number of HNWIs relocating to New Zealand.

LOW

INDIA, INDONESIA, MALAYSIA, NEPAL, PHILIPPINES, CHINA - TAIWAN, THAILAND, VIETNAM

This group presents limited potential as a source of outbound giving as domestic needs are high and donors generally place greater focus on domestic philanthropy. Significant changes in political will, regulatory environment, and an overall societal shift in mindset toward international collaboration will be needed to enable greater readiness for cross-border giving. However, these markets present high potential for receiving private foreign funding, particularly given the growing wealth among diaspora communities from other parts of the region. Further support to lower the barriers to receive funding will help to grow cross-border philanthropy in the region as a whole.

GAPS

Limited donor activity giving overseas. Lack of enabling regulatory environment and limited philanthropic ecosystem to support cross-border giving.

OPPORTUNITIES

Growing wealth in these markets and among diaspora communities from other parts of the region.

Governments extending support by creating exceptions that allow cross-border giving to causes such as disaster giving.

Disaster Philanthropy – An opportunity to expand cross-border giving in Asia

No country in Asia, regardless of GDP, is spared from the damaging impact of natural disasters. Experiencing 70% of the world's natural disasters on an annual basis, Asia Pacific is the most disaster-prone region in the world. The line between donor countries and recipient countries becomes blurred when it comes to the need for support in the aftermath of a major disaster that results in an indiscriminate loss of human life and damages to communities and the environment.

In the 17 years of Give2Asia's disaster grantmaking to the Asia Pacific, Japan ranked second in the total grant amount received (11.4M between 2005-2019), just behind China - Mainland (22.9M in the same period). Most recently, with the COVID-19 pandemic raging through the region and the world, we saw new donors joining the giving space. Give2Asia recently facilitated funding from China - Mainland to support COVID-19 response in Nepal. APC and AVPN both successfully raised funds from their extensive network of Asia-based donors for their pooled funds towards regional COVID-19 response efforts.



Given the emergency and complicated nature of disaster response that require high level of effective coordination at all levels and among all stakeholders, disaster philanthropy tends to open up opportunities in the usually restrictive environment of cross-border philanthropy. After the 2011 Tohoku Earthquake and Tsunami, the Japanese government relaxed the requirements for giving non-profit status to both domestic and foreign NGOs, which helped to increase philanthropic giving in general. The 80:20 fundraising rule in Singapore, which requires 80% of funds raised from the public to be spent in Singapore to benefit local communities, can be waived for appeals to provide aid for immediate disaster relief overseas. International disaster aid initiatives are given exception to the 20% tax on charities channelling funds outwards from China - Taiwan.

Sector experts and donors who participated in this study also highlighted that disaster giving resonates well with the emotionally motivated giving nature of Asian donors and could be the entry point to ignite pan-Asia philanthropic cooperation. Philanthropic advisors such as Give2Asia and similar service providers play an important role in stewarding private donors towards impactful disaster programming, to direct funding not only to recovery but also to build resiliency and preparedness of local communities across the Asia Pacific region towards a more sustainable future.



02

PRACTICAL SOLUTIONS FOR UNLEASHING CROSS-BORDER GIVING

Going back to our study's key question of whether there is appetite and need for new solutions and infrastructure to support cross-border giving in Asia, the short answer is: Yes.

Donors expressed interest in continuing or beginning to engage in charitable funding in other countries. However, in many markets, stringent regulations and limited cross-border support ecosystems set high barriers to entry for new donors and limit the full potential of existing ones. A large number of participants welcome new solutions to encourage more cross-border giving in the region.

In High- and Medium-ready markets, the stage is set to grow cross-border giving. In fact, several national and regional organisations now are building cross-border giving services. Examples include donor-advised funds offered by SymAsia Foundation in Singapore, Give2Asia in Australia and China - Hong Kong SAR; trust funds offered by Asian Community Center 21 (ACC21) in Japan; and thematic pooled funds by APC and AVPN, to name a few. Given the varying capabilities and stages of readiness in the region, each of these giving vehicles serves specific donor groups and fills specific needs in the sector. What seems to be missing is a regional infrastructure to draw on the diverse strengths and abilities of its participants to encourage further dialogue, share best practices, and facilitate cross-border giving at a regional level.

Building Transnational Giving Asia

The organisers of this study and several other institutions are encouraged enough by this research to begin discussions for a cross-border philanthropy network within Asia that can address many of the key findings in this study.

A well-informed and locally savvy network of national partners is recommended to address compliance risks and bring transparency into the process for donors and local charities, bridging knowledge and cultural gaps, and building trust between donors and vetted overseas initiatives through the following ways.

Pooling Risks

- Address currency risks and tax friction by working collaboratively with banking regulators in participating markets
- Develop a common framework for due diligence, compliance, and transparency for quality control, to be endorsed by government authorities in target markets

Increasing Trust

- Provide proof of concept and demonstrated success to earn donors' trust
- Assess and ensure the credibility of recipient organisations
- Foster trusted relationships with local governments, ensuring the pure charitable purpose of the funding source is in line with local anti-money laundering concerns

Aligning interests

- Identify issues that resonate well with donors and align with relevant governments' priorities. Some examples are disasters, education, health, and environment

Capitalising on the power of networks

- Access donor networks and / or local charity networks to build connections

Riding the technology wave

- Leverage technology as a powerful business and philanthropy enabler in Asia. The ability to collaborate with existing crowdfunding and online giving platforms could be key to ensure efficiency and scale

Who would benefit from a new regional infrastructure?



Individual, corporate, and institutional donors who look to start or expand their cross-border giving. These are younger, next generation donors seeking to engage in international philanthropy for the first time or to expand current giving. Corporations headquartered in Australia, China - Mainland, China - Hong Kong SAR, Japan, Singapore, and South Korea with a regional footprint.



Professional advisors to high net-worth families including private wealth managers, family offices, regional-focused funds looking to provide their clients with a full range of investment options, including philanthropic giving.



Non-profit groups and charitable institutions in recipient locations stand to benefit from improved access to funding. These include disaster relief organisations; universities/research centres with broad alumni networks; museums/membership institutions with members beyond national borders; multilateral organisations; and those addressing regional issues.



CASE STUDY

COVID-19 Solidarity Response Fund



The COVID-19 Solidarity Response Fund was created as an ad-hoc, time-limited, and scope-limited vehicle to support the global COVID-19 response. However, its success had provided many valuable lessons for future efforts.

Between 2020-2022, the fund raised a total of USD250M from 8600 donors. The key to success was attributed to a system of collaborative partners and the flexible nature of the funding. The Fund is a pooled fund co-managed by the World Health Organisation (WHO), the United Nations Foundation (UNF) and the Swiss Philanthropy Foundation (SPF) as core partners and a network of fiduciary partners. This network includes the TGE network that allowed donations in 20 European countries, the King Baudouin Foundation Canada, Japan Center for International Exchange (JCIE), and the China Population Welfare Foundation (CPWF) to raise funds and facilitate donations from corporations, corporate foundations, individuals, non-government organisations (NGOs) and philanthropic foundations in Canada, Japan, and China - Mainland, respectively. These trusted local partners were key to the effective mobilisation of funds given their strong relationship

with the donor communities in their own country, to navigate the complex regulations for cross-border transactions and to secure exceptional approval from relevant authorities in such a short timeframe, particularly in places like Japan and China.

While the Fund remained an informal collaboration, its strength was predominantly based on the close relationships and accountability systems that link all partners involved. This included bi-weekly and weekly calls among senior members of partner organisations, a shared tracker that allowed each partner to update activities in real time, and regular website updates to inform donors of real time impact of the fund utilisation.

The critical role of the fiduciary partners network in mobilising private funding efficiently on a global scale and the collaborative mechanism among multiple stakeholders that allowed resources to be directed to where they were needed most during the urgency of the global pandemic provided practical lessons and inspiration for our attempt at creating a regional philanthropic network to tackle global issues.

Philanthropy in Asia is unique from that of other regions. Models found in Europe and North America do not translate to address the key needs in Asia. A regional infrastructure would need to focus on three key practical aspects to help move donors, charities, and a range of ecosystem stakeholders toward greater cross-border giving.



Transactional services with availability of financial incentives

Moving philanthropic capital around the region has proven to be a challenging task in many places. The following capabilities are key to a successful cross-border giving infrastructure:

1. the ability to partner with financial institutions for efficient capital mobilisation,
2. conducting due diligence of both funders and grantees in compliance with various reporting regimes,
3. securing government support to streamline the approval process for cross-border charitable activities.

Although not a key giving driver, tax incentives play some role in Asian donors' giving decisions, particularly where the benefits are significant and attainable, such as in Australia, China - Hong Kong SAR, Japan, and South Korea. The ability to provide such benefits to donors will no doubt increase the appetite for cross-border giving to many.



Trust & Knowledge-building

The philanthropic sector across Asia suffers from a dearth of information on available projects and vetted local charities, which creates a disconnect between donors and social actors. Despite the recent improvements in this space, information is scant and patchy and not always accessible to all due to language and cultural barriers. More spaces and opportunities for sharing best practices and knowledge will not only help to improve cross-border transactions but will also contribute to building a more outward, impact-driven giving culture for the region.



Advocacy

While advocacy needs to be done carefully and in close partnership with government, it can be successful in helping to clear the way for opportunities that positively impact all. When talking about advocacy, it is important to note that – due to the diversity of countries in the Asia Pacific region – any regional philanthropy network will need to stay politically neutral and focused purely on its role as a platform building people-to-people connections.

Let's get started

Discussions between national-level philanthropy enablers can begin now to build a transnational giving network for Asia. We invite national-level philanthropy leading organisations in Asia to join us.

Given the High and Medium level of readiness found in Australia, China - Hong Kong SAR, Japan, South Korea, China-Mainland, New Zealand, and Singapore, these locations will be considered first to identify interested and capable partners. While sharing a long-term and primary intention to build full cross-border giving capabilities, partners within the network will likely start along different points on a spectrum of services.

Successfully building such a network across multiple countries will hinge on a concerted effort by the wider ecosystem. Necessary conditions for such a network's success include engaging donors on regional issues, improving the overall enabling environment for cross-border philanthropy, and building an outward and impact-driven giving culture in the region. Opportunities to enhance these conditions are discussed in the further recommendations.

FIG 13 POSSIBLE SERVICES

OUTBOUND PHILANTHROPY FACILITATION



Network

Facilitate donor introductions to the network



Donations for campaigns

Receive local donations for regional pooled campaigns



Grants for specific donors

Facilitate one-off grants on behalf of specific donors



Long-term relationships

Facilitate long-term relationships with local cross-border funders

INBOUND PHILANTHROPY FACILITATION

Network relationships

Facilitate network relationships with local charities seeking to fundraise overseas

Pooled funds for programmes

Facilitate receipt of overseas pooled funds going to local programmes

Charitable projects

Facilitate identification and vetting of local charitable projects

Long-term relationships

Facilitate long-term grantee relationships and donor-specific projects



Transnational Giving Europe (TGE)

One relevant model for a regional network that can be seen in Europe is Transnational Giving Europe (TGE). Established in 1998, TGE is a network of 21 country-specific foundations in Europe that have aligned to facilitate tax-efficient cross-border giving within Europe. The TGE network enables donors, corporations, and individuals residing in one of the participating countries to financially support non-profit organisations in other member countries, while benefiting directly from the tax advantages provided for in the legislation of their country of residence.

While the TGE model offers an example of what might be possible in Asia, the motivations and function behind an Asian network are very different.

The building blocks of any regional structure will need to come from expanding upon the trust and networks that have already been built to create philanthropic services within specific locations.

FURTHER RECOMMENDATIONS

Opportunities to further engage Asia-based donors in cross-border giving

Although donors may care deeply about certain causes, personal connections from afar are difficult to forge. How people's lives could be changed for the better. How collaborative effort can lift up the whole region. These are important impact stories to connect and move donors towards causes beyond their own.



Involving donors in the changemaking process beyond funding. The charity sector should look to donors not only as funders but also as partners in shaping the solutions. Donor networks are valuable assets for charities to gain direct referrals. Skill-based volunteerism, collective impact, and donor-advised funds are some other ways that allow donors to be part of the changemaking process at a more strategic level. As younger donors demonstrate an increased desire to be part of the process to foster change, new relationships between charities and donors can help shape solutions and result in increased investment.



Opportunities to navigate regulatory environments to build cross-border giving

Policies around philanthropy, as with the business and social sectors, often reflect national security agendas. Politically-friendly nations tend to extend exemptions to the general regulations to each other. Any advocacy effort should focus on creating long-lasting opportunities for philanthropic transactions between allied nations as a way to improve the overall enabling environment for cross-border philanthropy in Asia.

Creating opportunities for giving between allied countries. A number of ongoing regional and bilateral cooperation dialogues provide important avenues for such advocacy efforts. Among the most notable ones are the 2020 EU-China Comprehensive Agreement on Investment (CAI)³⁵ and the most recent Regional Comprehensive Economic Partnership (RCEP) Agreement,³⁶ the world's largest free trade agreement between 15 Asian countries. As countries acknowledge challenges brought about by the COVID-19 pandemic and the need for a coordinated global response to facilitate "a strong and resilient economic recovery as well as sustainable, balanced, and inclusive growth following the crisis,"³⁷ philanthropy should be part of the conversation as a tool to help communities around the region recover and thrive.

Opportunities to build Asia's infrastructure for cross-border giving

The limited presence of ecosystem enablers such as philanthropic advisors and intermediaries for cross-border giving in Asia and insufficient fundraising capacity by charities, particularly smaller organisations, results in a vital disconnect between donors and causes and charities overseas. There is a need to both grow the sector and increase collaboration within it.



Stronger collaboration among philanthropy advisors and financial advisors to bring philanthropic expertise to financial advisory services, providing donors one-stop-shop experience. Asia's family businesses are mostly in their first or second generation and approaching their first wealth transfer to the younger generation³⁸. Capitalising on this timely opportunity, cross-border philanthropic investment should be introduced to the younger generation of Asian philanthropists who may have a more open and outward attitude to giving as part of succession planning.

More funding to build cross-border infrastructure. According to a study done by WINGS, distributions of total budget allocated to building philanthropy infrastructure in the Asia Pacific region trail far behind North America, Europe and even Sub-Saharan Africa.³⁹ Investment in cross-border infrastructure to enhance research, advocacy, donor education and capacity building for charities is essential to strengthen ecosystem-wide efforts and capability to promote cross-border giving and foster an outward giving culture in Asia.

CONCLUSION

As wealth levels increase across the Asia-Pacific region, great potential is emerging to address pressing needs by increasing philanthropic flows between countries in the region and beyond. Despite clear challenges with regulations and limited service structures for cross-border giving in the region, Asia is the land of opportunities and pragmatism. We have determined that Asian donors are finding ways to fulfil their charitable purposes to support causes that are close to their hearts, but more can be done to support them in their efforts.



An inviting environment for cross-border giving across Asia will require

1. donor demand,
2. enabling regulatory environment, and
3. a collaborative and dynamic regional ecosystem for building relationships.

This study has found that the first two are in place for some markets and that further ecosystem building is needed as a next step to encourage further cross-border philanthropy from these locations. To fully tap into this potential, domestic philanthropic institutions need to be part of larger regional cooperation and build tools that will benefit both domestic and regional needs by increasing the overall flow of giving. Stronger collaboration and increased investment in strengthening the support ecosystem as a whole will be essential in promoting cross-border giving and fostering a collaborative giving culture in Asia.

The Asia Pacific region experiences 70% of the world's natural disasters on an annual basis and is the most disaster-prone region in the world. Recognition of the need to address inter-connected environmental issues among donors in the region is imperative. Donors need to be made aware of pressing regional issues and provided tools and

support to make informed decisions on their philanthropic endeavours beyond national borders. Successes such as that of the WHO Foundation show that relatable global issues — such as a pandemic and disasters — resonate with donors in the region and could be the entry point to ignite pan-Asia philanthropic cooperation.

Among practical solutions to promote greater cross-border philanthropy in Asia is a regional infrastructure, comprising national partners to navigate complex regulations and banking requirements across multiple economies to remove compliance risk and bring transparency into the process for donors. The key functions of such a network might not lie squarely in enhancing the transactional capability for cross-border giving, although there is no doubt that that will encourage donors in locations where tax incentives matter like China - Mainland, China - Hong Kong SAR, Japan, and South Korea. An effective regional collaboration of grantmaking institutions will need to foster trusted relationships with donors, local communities and local governments as well as provide an inclusive space for dialogues and sharing of best practices to create 'soft advocacy'⁴⁰ for lowering regulatory barriers for cross-border giving in the region.

To build this new infrastructure, our study recommends cooperation of interested and capable national institutions from markets with High and Medium level of readiness for enhancing cross-border giving. These include Australia, China - Mainland, China - Hong Kong SAR, Japan, New Zealand, Singapore, and South Korea to get the conversation started.

The network should thus represent the collective mission and agenda of its members, which is to promote cross-border philanthropy and to enhance cross-border flows among the member markets. While this study was not targeted at assessing recipient countries, their participation and engagement is also key to bridge the needs of local communities, charitable organisations, and donors and to improve trust at an aggregate level. They should be a part of the conversation.

Furthermore, ongoing discussion with a wide range of stakeholders is desired to create necessary conditions for the success of such a network. This needs to involve those who may help advocate for favourable policy change to drive sustainability and scalability of the network such as policy makers, influential INGOs and national foundations, as well as those with strong desire and capability to promote cross-border giving including fund managers, family offices, lawyers, donors and charity networks, funders of infrastructure, etc. The success of the network will require the concerted effort of a larger ecosystem to create an effective infrastructure to efficiently move capital flow across borders, enhance trust, and improve the overall cross-border giving culture for the Asia Pacific region.

AUSTRALIA



REDINESS LEVEL

HIGH

Compared to the US and Western Europe, institutional philanthropy in Australia is relatively young, beginning with the introduction of the private ancillary fund in 2001 that reshaped philanthropy in the country,¹ giving businesses, families, and individuals greater flexibility to start philanthropic trusts and structure their giving. Despite a big push from the government for more home-grown development and the strong domestic focus among many donors, there is growing desire to foster an outward giving culture among individuals and diaspora donor groups.²



CROSS BORDER GIVING INDEX

SCORE

3.75

Australia has a relatively high level of cross-border giving in Asia. Philanthropic outflows in 2018 reached \$741 million, accounting for 0.05% of the country's GNI. About 21% of charities distributed grants and donations overseas.³ Donors are interested in giving to Asia to support healthcare, education, climate, and rural development.⁴ Top receiving countries include China, India, Indonesia, and Nepal. Private outbound donations have stagnated. Interest in international engagement remains within a small network of seasoned philanthropists. The government does not actively encourage overseas donations.⁵ Following the bushfires and COVID-19 pandemic, Australians indicated increased intentions to support local organisations.

Interest in cross-border giving is growing among young donors. Young entrepreneurs are interested in exploring innovative ways of giving, including through blockchain and cryptocurrency.

Cross-border giving among Asian-Australian diaspora donors remains untapped. According to 2016 census data, 6.4% of the Australian population were born outside of Australia. Australians with Asian backgrounds commonly

give back to their countries of origin through remittances.⁶ More studies are needed on this donor group's appetite and practices to encourage impactful and strategic giving.



REGULATORY INDEX

SCORE

3.70

Favourable reforms allow Australians to make tax-deductible donations that benefit overseas charities. Before 2017, only organizations registered with the Department of Foreign Affairs and Trade for Overseas Aid Fund could facilitate private donations outside of Australia. After much lobbying, the deductible gift recipient (DGR) framework reform has broadened the definition for public benevolent institutions (PBIs) to operate and send funds to partners and projects overseas while being eligible to provide donors tax benefits.⁷

Under these reforms, PBIs with Deductible Gift Recipients (DGR) Item 1⁸ status, are required to report to the Australian Charities and Not-for-profits Commissions (ACNC) and comply with the ACNC's External Conduct Standards. Charities must also adhere to obligations under the Financial Action Task Force

Recommendations and international treaties.⁹
 Overseas funding must be aligned with poverty alleviation activities as defined by government.

Recent legislative changes have removed some barriers to overseas giving, including lightening the administrative burden on donors and charities to send funds overseas. Giving through PBIs has become more prevalent as there is an increasing number of PBIs in the country.¹⁰



INFRASTRUCTURE INDEX

SCORE
3.25

Australia has a growing suite of infrastructure enablers for cross-border philanthropy, particularly to advocate for an enabling regulatory environment. In 2020, the Australian Council for International Development (ACFID) advocated for higher tax deductibility for donations for COVID-19 response, though the government emphasised local needs during the pandemic. The Australian International

Development Network (AIDN) represents a new infusion of multi-sectoral advocates for cross-border efforts that includes corporates, private philanthropists, investors, capacity builders, and government agencies. Since 2019, AIDN members have led the Cross-Sector Partnerships Initiative for strategic leadership on cross-border work.¹¹ A recent AIDN publication provides comprehensive guidance on pathways to global giving for Australian donors wanting to invest internationally.¹² Still, the support system to ensure accountability and the effectiveness of cross-border giving remains limited. Legal experts and donors who participated in this study believe that giving mechanisms and compliance requirements are not yet well understood by the general public, which hinders donors' awareness of opportunities to give abroad. In addition, most lawyers have limited knowledge in this field and there are few practicing charity lawyers. Accessible information on relevant philanthropic trends and practices is needed to broaden the scope and scale of cross-border donations among Australian donors.

ECOSYSTEM SUPPORT ROLE	ORGANIZATIONS	
Academic institutions	<ul style="list-style-type: none"> • Centre for Social Impact • Queensland University of Technology - Australian Centre for Philanthropy and Nonprofit Studies 	
Philanthropy advisory	<ul style="list-style-type: none"> • Filantropia 	<ul style="list-style-type: none"> • Think Impact
Grantmaking intermediaries	<ul style="list-style-type: none"> • Equity Trustees • Give2Asia Australia • Partners for Equity 	<ul style="list-style-type: none"> • Australian Executor Trustees • Perpetual Trustees
Ecosystem promoter/advocacy	<ul style="list-style-type: none"> • Australian International Development Network • Philanthropy Australia • Australian Council for International Development 	<ul style="list-style-type: none"> • Fundraising Institute Australia • The Development Circle
Funders of infrastructure	<ul style="list-style-type: none"> • Australian International Development Network 	
Philanthropy media	<ul style="list-style-type: none"> • Fundraising and Philanthropy Australasia Magazine 	<ul style="list-style-type: none"> • Pro Bono Australia • Third Sector

CHINA

REDINESS LEVEL

MEDIUM

China's private philanthropy sector has grown significantly in recent years. Although cross-border giving represents only a fraction of total domestic giving, China's global agenda in business expansion and international cooperation coupled with the fast-rising wealth in the country could spark China's rise on the global philanthropic stage as an important donor country.



CROSS BORDER GIVING INDEX

SCORE
2.00

The majority of philanthropic giving in China focuses on domestic issues. While total philanthropic contributions in China reached US\$23.4 billion in 2018, cross-border outflow was estimated at US\$20 million, accounting for 0.0002% of the country's GNI.¹

China has potential to increase philanthropic giving, particularly cross-border giving, due to the large concentration of high net-worth individuals. In 2018, China had 819 billionaires—the most in the world.² Total giving from domestic and foreign sources rose from 2015 to 2019, from US\$17 to 24 billion, 45% of which came from foundations.³ Young donors, particularly those who studied overseas, are increasingly interested in giving abroad and looking for opportunities to build meaningful legacies beyond China.

The China International Development Cooperation Agency was formed in 2018, signalling the Chinese government's interest in expanding its influence in international development.⁴ Private philanthropists and corporations could be expected to join the government in this effort.

China is a major recipient country. Among overseas NGOs registered in China to facilitate inbound donations, over half came from the U.S., Hong Kong, and Japan. The cross-border inflows focus on trade, education, youth, health, and poverty alleviation.⁵



REGULATORY INDEX

SCORE
1.90

Channelling funds abroad has eased but is still strictly regulated. Individuals residing in China can exchange and remit up to US\$50,000 per year.⁶ Larger cross-border charitable donations need to go through a national foundation or a nonprofit and require government approval and bank reviews.⁷ The Ministry of Civil Affairs and the State Administration of Foreign Exchange approve overseas giving on a case-by-case basis.

Philanthropic inflows to China have seen tightened government oversight. In 2017, China introduced the Overseas Non-Governmental Organisation (ONGO) Law that has provided two main pathways for international donors who wish to make grants into mainland China:

- An Overseas NGO can apply for Temporary Activity Permits (TAP) to facilitate foreign donations to the intended recipients in China. The process requires case-by-case approval of activities for a fixed timeframe and is limited to a specific city.
- An Overseas NGO may establish a Foreign NGO Representative Office under the purview of the Public Security Bureau.⁸ This option provides donors more flexibility with timeframes and geography and is becoming the preferred mechanism for approving charitable activities as it helps build long-term relationships with grantmakers and is seen as less risky.



INFRASTRUCTURE INDEX

SCORE

2.63

China has a growing diversity of ecosystem players but there is room to build in coherence and professionalism in the philanthropic infrastructure.

Advocacy efforts take the form of consulting relationships with the government. The Ministry of Finance and Ministry of Judiciary are leading discussions about lowering barriers to cross-border giving. Private and social actors are consulted when such government bodies deem it relevant.⁹

Influential knowledge providers in the philanthropy sector exist. Despite their focus on domestic issues, these organizations have laid the groundwork for more engagement in

cross-border philanthropy. China Foundation Center, initiated by 35 well-known foundations in 2010, has developed a comprehensive online database of over 7000 registered foundations. Their platform has become an important resource to promote foundation development and facilitate international philanthropic data standards in China.

There is a strong need to professionalize the governance and management process of the philanthropy sector. As the interest in philanthropic giving rises, China will need more intermediary organizations that can offer strategic advice, increase capacity, and help navigate the complex regulatory system.¹⁰

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS	
Research institutions	<ul style="list-style-type: none"> • Institute for Philanthropy Tsinghua University • China Philanthropy Research Institute, Beijing Normal University 	
Philanthropy advisory	<ul style="list-style-type: none"> • China Foundation Center • NPI Foundation 	<ul style="list-style-type: none"> • Non-Profit Incubator
Grantmaking intermediaries	<ul style="list-style-type: none"> • Tencent Charity • Taobao Charity 	<ul style="list-style-type: none"> • Ant Finance Charity • Jingdong Charity
Networks and membership organizations	<ul style="list-style-type: none"> • China Foundation Forum • China Donors Roundtable 	<ul style="list-style-type: none"> • China Effective Philanthropy Multiplier • China Association for NGO Cooperation
Funders of infrastructure	<ul style="list-style-type: none"> • Narada Foundation • Woqi Foundation 	<ul style="list-style-type: none"> • Dunhe Foundation
Philanthropy media	<ul style="list-style-type: none"> • 中华慈善新闻网 China Philanthropy News Network • 新浪公益 Sina Charity 	<ul style="list-style-type: none"> • 公益中国 PUBCHN.COM • 公益时报 CHINA PHILANTHROPY TIMES

CHINA - HONG KONG SAR

REDINESS LEVEL

HIGH

China - Hong Kong SAR leads the Asia-Pacific region with a well-developed and mature environment suitable for the philanthropy sector to thrive. It has strong potential to serve as an important cross-border giving hub in the region. The market benefits from a regulatory environment that is favourable toward cross-border giving, a mature financial system, commitment from the government for the social sector, and professional social workers.¹



CROSS BORDER GIVING INDEX

SCORE
4.00



REGULATORY INDEX

SCORE
3.90

With a long legacy of family philanthropy, China - Hong Kong SAR has a strong institutional philanthropy sector, with an estimated over USD 10.6 billion worth of philanthropic assets held by foundations, accounting for 3.3% of the region's GDP according to UBS's Global Philanthropy Report 2018.²

The majority of donors in our study donate to causes related to education, natural disaster relief, and research. Typically, at least 25% of their philanthropy giving goes to domestic causes, with the majority giving to China - Mainland. Those giving abroad follow two main trends. They typically give at least 25% of their philanthropy to domestic causes, a majority of them giving to China. There are two main trends among those giving abroad, (i) focusing on South and Southeast Asian countries, such as Cambodia, Philippines, Bangladesh, Nepal, and Vietnam, and (ii) directing giving toward the United States, Canada, and the United Kingdom.

Our donor respondents suggest that they mainly send their overseas donations via direct bank transfers or through intermediary services. Some mentioned sending their funds to international NGOs based in the U.S. or Canada to be disbursed to projects on the ground in Asia.³

China-Hong Kong SAR has a favourable regulatory framework toward cross-border giving with fewer restrictions on giving practices than most other markets in the region. There is a single registration process for organisations to support both domestic and foreign activities. Although the registration for tax-exempt charitable status with the Inland Revenue Department (IRD) can take up to a year—the longest in Asia,⁴ registered charities can provide donors the same tax deduction for both domestic and cross-border giving with no additional permissions or reporting required as long as the donation supports service delivery domains. This applies for organisations working on overseas causes related to poverty relief, advancement of education, or advancement of religion.⁵

China-Hong Kong SAR has a strong legal and institutional framework for anti-money laundering and counter-terrorist financing. In addition to formal reviews to assess terrorist financing risks across non-profit organisations, the government routinely gathers information from various sources to monitor the use of funds. The IRD also conducts oversight to ensure that tax-exempt charitable activities are compatible with their charitable objectives.⁶



INFRASTRUCTURE INDEX

SCORE

3.75

China-Hong Kong SAR has one of the strongest enabling environments for cross-boarder giving in the region and has a strong and vibrant social sector.

There is a large presence of diverse networks and players supporting interested donors and organisations. Many contribute to capacity building to help ensure accountability within the charitable sector and increase trust and confidence in cross-border philanthropy. For example, several organisations such as Asian

Charity Services and the Hong Kong Council of Social Service (HKCSS) provide accountability check-sheets, and training for small NGOs to help them improve their transparency practices and fundraising capacity.

China-Hong Kong SAR also has knowledge and thought leaders who provide information on regional and global philanthropic trends, such as the Centre for Asian Philanthropy and Society (CAPS).

ECOSYSTEM SUPPORT ROLE	ORGANIZATIONS	
Research institutions	<ul style="list-style-type: none">• The Centre for Asian Philanthropy and Society (CAPS)• Centre for Civil Society and Governance, The University of Hong Kong• Bauhinia Foundation Research Centre	
Grantmaking intermediaries	<ul style="list-style-type: none">• Global Giving• Give2Asia Foundation Limited	<ul style="list-style-type: none">• USB• Charitable Choice
Ecosystem promoter/advocacy	<ul style="list-style-type: none">• SOW Asia• Asian Charity Services	<ul style="list-style-type: none">• ADM Capital Foundation
Networks and membership organisations	<ul style="list-style-type: none">• The Hong Kong General Chamber of Commerce• Asia Society Hong Kong Centre	<ul style="list-style-type: none">• The Hong Kong Council of Social Service• ACCA Charitable Foundation
Funders of infrastructure	<ul style="list-style-type: none">• HSBC Community Partnership• Social Ventures Hong Kong	<ul style="list-style-type: none">• Policy Innovation and Co-ordination Office
Philanthropy media	<ul style="list-style-type: none">• HK Tatler• HK01	<ul style="list-style-type: none">• SCMP

INDIA

REDINESS LEVEL

LOW

India has become the 7th largest economy in the world in terms of absolute GDP¹ but continues to face challenges in uplifting its most vulnerable populations. The philanthropy sector has increasingly played an important role in addressing such needs, with private giving predominantly restricted to domestic causes. However, recent amendments to the Foreign Contributions Regulation Act (FCRA) are already having implications on the country's ability to process foreign donations. Foreign donors and recipient organizations will have to adapt and find ways to work within the confined regulatory framework.



CROSS BORDER GIVING INDEX

SCORE

2.00



REGULATORY INDEX

SCORE

1.40

Cross-border giving is limited despite great potential. Private funding increased by 15% between 2014 and 2018, totaling US\$9.4 billion in 2018, playing an important role in the domestic social sector.² However, philanthropic investments focus primarily on domestic needs.

On the other hand, India is a major recipient country. Asia Pacific donors, especially among Indian diaspora living abroad, present great potential for cross-border contributions to India. In Singapore alone, there are 117 individuals of Indian descent with a total net worth of US\$14 billion. A study by Dalberg on trends and patterns of Indian diaspora giving suggests that efforts to increase motivation for giving and improve the ease of giving will be important factors to tap into this group of donors.³

However, due to amendments to the FCRA, some sector experts believe that incoming cross-border funding may decline.

Outbound charitable funds are restricted. Under India's Foreign Remittance Act, every remittance above USD250,000 for individuals in a year is subject to government approval. Donations to overseas causes that are not deemed to serve national interests by the government are taxed according to the Central Board of Direct Taxes. Exceptions were given to disaster relief such as earthquake relief to Nepal in 2015.⁴

Nonprofits receiving foreign funding face heightened scrutiny. Under the FCRA, nonprofits must register and get permission from the Ministry of Home Affairs to receiving foreign funding. This permit needs renewal every five years. Recent major changes to the FCRA prohibit organisations receiving foreign funding to sub-grant to other charities or to spend over 20% of the funds on annual administrative costs. This may reduce funding flows for small organisations and forces intermediaries and recipient NGOs to work on direct implementation.



INFRASTRUCTURE INDEX

SCORE

2.00

India has a growing presence of philanthropic ecosystem players. Domestic philanthropy has witnessed the emergence of intermediaries to standardise and institutionalise setters and intermediaries to institutionalise philanthropy in the past decade.⁵ For example, the Credibility Alliance, a consortium of nearly 600 organizations, set up the Central Accreditation Committee (CAC) – a group of specialists in organisational management, finance, and social work – to promote sector standards. While national standards have not been set, the CAC aims to operate as an accreditation body to enhance accountability and transparency in the sector.⁶

Advocacy efforts are generally limited and narrow in scope. The impact-investing community or United Nations agencies tend to lobby for their own individual impact areas. Sometimes, the whole sector can face blanket regulations from the government due to one actor's position. For more concerted advocacy efforts, there is a strong need for a narrative for the whole sector and a win-win framework with the government.⁷

ECOSYSTEM SUPPORT ROLE	ORGANIZATIONS
Academic institutions	<ul style="list-style-type: none">• Centre for Social Impact and Philanthropy
Philanthropy advisory	<ul style="list-style-type: none">• Credibility Alliance• Praxis• Catalyst Management Services
Grant making intermediaries	<ul style="list-style-type: none">• CAF India• Give India
Ecosystem promoter/advocacy	<ul style="list-style-type: none">• Jharkhand Anti- Trafficking Network (JATN)• Centre for Social Action• Centre for Youth and Social Development
Philanthropy media	<ul style="list-style-type: none">• Indian Development Review

INDONESIA

REDINESS LEVEL

LOW

As the fourth most populated country in the world with a large diversity of religions and cultures, Indonesia has both a history of giving and being a recipient of cross-border giving.¹ While individual giving focuses on domestic needs to address social inequalities, the Indonesian government has recently become more interested in extending Indonesia's influence and relationships with other countries through international investment. This presents upcoming opportunities for interested donors to advocate for lower barriers for cross-border transactions.



CROSS BORDER GIVING INDEX

SCORE

1.00



REGULATORY INDEX

SCORE

2.30

Almost all philanthropic giving in Indonesia focuses on domestic causes, particularly through religious support by individual donors. There is some giving interest among donors with family, businesses, or personal relationships in other countries.² In 2019, the government set up Indonesian AID (Agency for International Development or Lembaga Dana Kerjasama Pembangunan Internasional – LDKPI) to consolidate donations from Indonesia to other countries as part of the government's 'diplomasi tangan di atas' (hands-on diplomacy) approach to improve Indonesia's position in international development cooperation. This signals that the government is looking to encourage a new supportive culture for cross-border giving.

As Indonesia has become a middle-income country, cross-border receiving has declined. Many nongovernmental organisations have experienced reductions in foreign funding, some by up to 30%, forcing some to close.³

Crowdfunding is a common platform for fundraising. However, it is only suitable for short-term tangible impact areas, such as disaster relief and generally not an effective mechanism to raise funds for long-term causes.

Indonesia has a limited and restricted regulatory framework for cross-border giving. Organisations facilitating cross-border giving must register with the Ministry of Home Affairs (MHA) and submit reports on the use of funding overseas. Areas of investment for cross-border giving are restricted to the government's domains of interest, especially those that maintain diplomatic relations with Indonesia.⁴

Being capped at 10% of an individual's total income or 5% for corporates, tax incentives are too limited to play a role in motivating philanthropy.⁵

Giving to Indonesia is generally welcomed but seeking tax exemption for cross-border donations is administratively heavy. Local organisations must obtain a government permit for the exemption of import duties from the Ministry of Finance and release a public notice of receiving foreign funds.⁶ 73% of 47 nonprofits we surveyed rated their experience in meeting such requirements as somewhat difficult to very difficult. Public organisations are also required to be registered in the Department of Home Affairs or other government agencies and/or local governments in order to receive foreign donations. However, most organisations do not follow these rules in practice.⁷

Regulations on INGOs' operations have become more difficult to navigate. The Government Regulation No. 59 of 2016 requires INGO to obtain in-principal and operational license, which is valid for three years, and limits the number of foreign staff as well as their ability to raise fund within Indonesia.⁸ Consequently, a number of INGOs reallocated to countries like Thailand while others adopted an Indonesian local name and status to fundraise locally.⁹ This trend may undermine funding for local organisations.

been few notable advocacy efforts for policy improvements. The Indonesian NGO Council is leading a national sustainability strategy to counteract the decreasing levels of international funding coming into Indonesia, focusing on

- 1) access to government-based fundings;
- 2) domestic fundraising capacity; and
- 3) NGO support services.

Given the decreased funding from official development aid and the crowding out of domestic funding sources, support to help local organisations tap new sources of private foreign funding is highly desirable for the social sector in Indonesia.



INFRASTRUCTURE INDEX

SCORE
2.13

The ecosystem of support focuses mainly on strengthening capacity and accountability standards in the social sector. There have

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	<ul style="list-style-type: none"> • Centre for Health Determinants Analysis • Public Interest Research and Advocacy Centre (PIRAC)
Philanthropy advisory	<ul style="list-style-type: none"> • A+ CSR Indonesia
Grantmaking intermediaries	<ul style="list-style-type: none"> • Kitabisa.com (online platform) • WeCare.id (online platform) • Benih Baik (online platform) • Solusipeduli.org (online platform)
Ecosystem promoter/advocacy	<ul style="list-style-type: none"> • Filantropi Indonesia • Indonesia NGO Council
Networks and membership organisations	<ul style="list-style-type: none"> • Knowledge Sector Initiatives (KSI) • CCPHI - Partnership for Sustainable Community
Funders of infrastructure	<ul style="list-style-type: none"> • Filantropi Indonesia
Philanthropy media	<ul style="list-style-type: none"> • CSR Magazine

JAPAN



REDINESS LEVEL

HIGH

As one of the most disaster-prone locations and highly developed economies in Asia, Japan has a tradition of both receiving international aid and giving back to international communities in need. There was high enthusiasm among Japanese donors, particularly among corporations, to support global efforts in response to the COVID-19 pandemic. Supportive infrastructure to connect Japanese donors with international communities as the world recovers from the pandemic will help to maintain the momentum and grow cross-border giving from Japan.



CROSS BORDER GIVING INDEX

SCORE
3.50

philanthropy, as was observed during the COVID-19 pandemic.

Japan has a relatively high and stable level of cross-border giving. Philanthropic outflows in 2018 approximated US\$750 million, accounting for 0.01% of the country's GNI.¹ This outbound volume has not changed in recent years.

New forms of giving such as crowdfunding platforms and social impact investment are also gaining traction among young Japanese donors and corporations.

Japanese donors are generally risk averse and because of language barriers prefer giving through INGOs and UN agencies with a presence in Japan to causes related to health, education, child poverty, and disaster relief, particularly in Southeast Asian countries.

UNICEF and Red Cross are donors' top choices; each received approximately US\$200 million in donations in financial year 2020.^{2,3}

Legacy giving in Japan is increasing due to the rapidly aging population. Bequests to Médecins Sans Frontières rose steadily from 140 million yen in 2012 (equivalent to US\$1.7 million at the time) to over 1 billion yen (approximately US\$ 9 million) in 2019.⁴ Other INGOs such as World Vision and Save the Children reported similar trajectories.

Technologically savvy, with international connections, and drawn to tax benefits for philanthropic giving, Japan's younger generation has shown increased interest in cross-border giving. HNWI's, particularly those in their 40s-50s, have been leaning more towards



REGULATORY INDEX

SCORE
3.50

Japan's regulatory environment is moderately restrictive but relatively favourable toward cross-border giving.

Charitable contributions are generally tax deductible when made to (i) "Special Public Interest Promoting Corporations" (SPIPCs), (ii) Organisations Eligible for "Designated Contributions" or (iii) Specified Nonprofit Corporations (SNCs) with National Tax Administration Approval.^{5,6} However, organisations must use at least 70% of donations received for business expenses related to specified nonprofit-making. Anti-money laundering and anti-terrorism policies require detailed reporting on the purpose of remittances and information about the recipient.⁷

Japanese donors are generally incentivised by tax benefits; however tax structures are complicated. Giving through a grantmaking foundation (with tax exemption status) in

Japan, individual donors can benefit from a tax deduction up to 40% of their total income, or a tax credit up to 40% of their charitable contributions from their income taxes, up to 25% of their income taxes.⁸ Donations exceeding 30 million yen (approximately US\$261,000) must be reported to the Bank of Japan when transferred directly to a receiving foreign organisation.⁹ Approved SNCs or SPIPCs must report donation details to the government yearly.¹⁰

Generally, Japanese companies pay corporate and local taxes when giving directly to a foreign recipient.¹¹ Tax deductions for corporates are limited according to donation amounts and corporate income. One of the ways corporates can claim tax deductions for their overseas giving is by donating through the Council for Better Corporate Citizenship (CBCC),¹² who, upon approval, sends the donation overseas and issues receipts to the donors to be included in their deductible expenses.



INFRASTRUCTURE INDEX

SCORE
3.25

Japan has diverse philanthropic ecosystem players. While there are advocacy efforts to enhance giving in Japan, they are largely limited

to domestic issues. Nevertheless, there are proactive players within the ecosystem, such as the Asian Community Centre 21, who have been working with politicians, administrations, and other stakeholders to advocate for more cross-border philanthropic investments.¹³

Building a knowledge sector of organisations, networks, and infrastructure is required to bridge gaps between interested donors and recipients. Japanese donors looking to diversify their cross-border giving face multiple challenges including the lack of information about recipients' needs and language barriers. While there are over 1000 grantmaking foundations in Japan, many do not have contacts with international nonprofits to provide adequate information and advice to donors interested in giving abroad. Similarly, despite increased interest among clients for philanthropic investment, the financial sector has limited skills to advise clients on philanthropic activities.¹⁴

Ecosystem support players such as philanthropy advisors, grantmaking intermediaries, financial wealth advisors, and trusted national foundations must come together to provide donors comprehensive information and practical mechanisms to facilitate the flow of cross-border giving from Japan.¹⁵

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS	
Philanthropy advisory	<ul style="list-style-type: none"> Centre for Public Resources Development Council for Better Corporate Citizenship 	<ul style="list-style-type: none"> Japan Fundraising Association Japan NPO Center
Grantmaking intermediaries	<ul style="list-style-type: none"> Japan NGO Centre for International Cooperation Asian Community Trust / ACC 21 Japan Centre for International Exchange 	<ul style="list-style-type: none"> Nippon Foundation
Ecosystem promoter/ advocacy	<ul style="list-style-type: none"> Keidanren (Japan Business Federation) Asia Venture Philanthropy Network (AVPN) 	<ul style="list-style-type: none"> CSO Network Japan Japan Foundation Centre
Networks and membership organisations	<ul style="list-style-type: none"> Japan NGO Centre for International Cooperation (JANIC) 	<ul style="list-style-type: none"> Japan Platform

REPUBLIC OF KOREA (SOUTH KOREA)

REDINESS LEVEL

HIGH

South Korea has a steady cross-border giving culture, bolstered by international mindsets, significant faith-based motivations, and a strong presence of international development organisations. The charity sector has suffered some trust issues from recent scandals and has been required to tighten transparency and accountability. However, civic participation has been on the rise, and younger generations and corporations are increasingly interested in international development.



CROSS BORDER GIVING INDEX

SCORE
3.50

South Korea has a relatively high level of existing cross-border giving, which has been stable since 2010. Philanthropic outflows in 2018 approximated \$852 million, accounting for 0.05% of the country's GNI¹ or an estimated 10% of total philanthropic giving.²

According to the 2017 Korea NGO Council for Overseas Development Cooperation, 51.7% of outbound giving came from individual donors. While older high net-worth individuals prefer to keep their wealth within the family or to support domestic causes, younger Koreans are increasingly interested in international development.³ Many corporations also give overseas as part of corporate social responsibility activities.

INGOs registered in Korea remain the dominant channel for Korean donors to support overseas projects. Crowdfunding has also emerged as a popular platform for cross-border giving. Top giving destinations are Southeast Asian countries, especially Vietnam and the Philippines. There is an emerging interest in giving to Africa.⁴

Giving through innovative finance mechanisms such as impact investment is increasing,

particularly among corporate donors and high net-worth individuals.⁵ The future of philanthropic giving from Korea might thrive through a blended model of social impact economy and traditional philanthropy.



REGULATORY INDEX

SCORE
3.50

South Korea's regulatory environment is relatively favourable toward cross-border giving. There are no restrictions on sending cross-border charitable donations except on those supporting activities related to terrorism and to select countries, particularly related to donations to North Korea and its related international organisations. For individual donors or corporations to receive a tax credit or deduction for cross-border donations, the receiving entities, whether they are domestic charities or international grantees, must be registered as an organisation eligible to receive the designated donation in advance by the Ministry of Economy and Finance.⁶ The registration process is time-consuming, which partly explains donors' preference of giving to established INGOs.⁷ Under the Foreign Exchange Transactions Act, registered charities donating to overseas organisations without reporting to the Ministry of Economy and Finance may be fined.⁸

There are usually no major challenges when transferring funds directly to recipient organisations, without tax benefits, as long as legitimate documents are submitted to the bank. The process is perceived to be straightforward and prompt, usually taking less than a day.⁹



INFRASTRUCTURE INDEX

SCORE
3.25

South Korea has a relatively diverse philanthropic ecosystem. Existing advocacy efforts to promote enabling and clear regulations involve a number of law and accounting firms consulting with the government to clarify policies and improve the law. However, current efforts have a stronger focus on domestic issues.¹⁰

Knowledge gaps in cross-border giving trends among different types of organisations persist. For example, while religious organisations in South Korea have a history and culture of cross-border giving, there is a lack of information on their cross-border giving scope and practices.¹¹

Trust in the charitable sector needs to be rebuilt following reports of fraud and the misuse of donations by some NGOs in the past.¹² In addition to government efforts to increase transparency and accountability in the social sector through legislative and institutional reform,¹³ private actors such as the Small and Medium Sized-NGO Alliance provide accountability checklists and training for small NGOs on relevant regulations. Credible and culturally attuned intermediary services with Korean language competency are imperative to facilitate trust and encourage further cross-border philanthropy from Korea.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Academic institutions	• Yonsei University Graduate School of Social Welfare
Philanthropy advisory	<ul style="list-style-type: none"> • Centre on Philanthropy at The Beautiful Foundation • Community Chest Korea • Slowalk
Grantmaking intermediaries	<ul style="list-style-type: none"> • Community Chest Korea • The Beautiful Foundation • Good Neighbours Global Impact
Ecosystem promoter/advocacy	<ul style="list-style-type: none"> • Korea NGO Council for Overseas Development Cooperation (KCOC) • Seoul city NPO support Centre • Guidestar Korea • Kakao Impact • Daum Foundation • Ashoka Korea
Funders of infrastructure	<ul style="list-style-type: none"> • Asan Nanum Foundation • Brian Impact
Philanthropy media	<ul style="list-style-type: none"> • Erounnet • Better Future • Bokjitime

MALAYSIA

REDIENESS LEVEL

LOW

Classified as an upper-middle income economy, Malaysia is one of the most economically developed countries in Southeast Asia. As such, Malaysia captures less international philanthropic interest than its neighbours. With a diverse ethnic and religious makeup of Islamic, Buddhist, Christian and Hindu communities, the charity sector is primarily driven by religiously motivated domestic giving with limited cross-border inflows and outflows.



CROSS BORDER GIVING INDEX

SCORE

1.00



REGULATORY INDEX

SCORE

2.30

Cross-border giving from Malaysia is limited. Malaysian donors predominantly focus on domestic issues including rural communities and the urban poor, especially in light of challenges arising from the COVID-19 pandemic. Few look beyond the national border. Notable cross-border giving is seen among large Malaysian companies like Maybank¹ as part of their corporate social responsibility activities. Occasionally, the general public supports projects overseas, such as for war-afflicted Islamic communities in the Middle East and tsunami-disaster relief efforts in Indonesia.²

Among Southeast Asian countries, Malaysia's economy is relatively more advanced and therefore cross-border inflows are considerably lower. Foreign donations often support specific causes such as Islamic organizations, preservation of the indigenous community in East Malaysia, or border-agnostic issues like climate change. Foreign corporates tend to see Malaysia as a location for investment rather than one that requires relief.

A significant portion of inbound donations come from the Middle East. Donations from the Middle East, specifically from Qatari donors which include the Qatar government, are partly motivated by diplomatic engagement and often focus on humanitarian efforts and disaster relief, such as COVID-19 response and the 2014 flooding relief efforts.³

Malaysia has no explicit regulatory framework for the philanthropic sector. The regulatory framework is fragmented and lacks a clear structure. Malaysian nonprofits are generally classified under the Registry of Societies and registered under the Societies Act (or under the Prime Minister's Office as foundations). Both societies and foundations can also be registered as companies limited by guarantee under the Companies Commission of Malaysia. Registered organisations may legally fundraise to implement philanthropic projects.

Regulations on cross-border giving vary by types of donors. Individual donors are required to seek approval from the Central Bank or Ministry of Finance for cross-border donations that exceed a certain threshold to minimize capital outflow from the country. Meanwhile, corporations and foundations must seek approval on all intended overseas giving. Those with transparent operations and strong governance are unlikely to encounter any problems. Additional approval from the Ministry of Finance is also required, on a per-project basis, in order to obtain tax benefits for public fundraising for foreign projects. The Central Bank of Malaysia recently implemented financial regulations applicable to the outflow of giving from Malaysia to acquire more oversight.



INFRASTRUCTURE INDEX

SCORE

1.88

The Malaysian ecosystem lacks industry bodies that can provide advisory services and resources to donors interested in cross-border giving. There is a strong need to support donors in areas such as finding suitable recipients, conducting due diligence, and monitoring and evaluating impact. There are limited resources on philanthropy advisory services for high-net-worth individuals.

Instability in the political landscape in recent years has made long-term reform directions unclear. The government only involves NGOs in Malaysia on an ad-hoc basis, and the country does not typically depend on the non-profit sector to support the government in service delivery. Hence, non-political NGOs in Malaysia tend to lack capacity to push for policy changes related to their sector.⁴

There is a lack of political will to lower regulatory barriers for cross-border giving.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	<ul style="list-style-type: none">• University of Malaya• University Sains Malaysia• University Teknologi MARA
Grantmaking intermediaries	<ul style="list-style-type: none">• The Giving Bank (crowdfunding platform)• SimplyGiving (crowdfunding platform)• Charity Right (crowdfunding platform)
Ecosystem promoter/advocacy	<ul style="list-style-type: none">• Agensi Inovasi Malaysia (AIM)• NGOHub
Networks and membership organisations	<ul style="list-style-type: none">• Malaysian Collective Impact Initiative• Malaysia Entrepreneurs and Philanthropists Association• Philanthropy Initiative of Malaysia

NEPAL

REDIENESS LEVEL

LOW

Despite persisting domestic needs and high dependency on foreign aid,¹ foreign funding to Nepal has slowed in the past decade. The Government of Nepal has implemented additional regulatory restrictions in recent years, making it more challenging for foreign donors to give to Nepal. To meet domestic social needs, the non-profit sector will need to improve its fundraising capabilities to access a wider array of funding, including from foreign private donors.²



CROSS BORDER GIVING INDEX

SCORE
1.00

Most, if not all, giving from Nepal goes to domestic causes. Nepalese organisations and individuals cannot send funds overseas except when the government gives special dispensation such as for disaster relief, which is typically done through a government-managed relief fund.

Foreign funding inflows to Nepal have slowed in the past decade. The government has put additional regulatory restrictions on interested donors, making it more challenging to give to Nepal. In the meantime, the government encourages homegrown philanthropy. After the 2015 Nepal earthquake, when only a fraction of relief funds reportedly made it into Nepal,³ the government enacted laws with stricter oversight around receiving international charitable funds. Through the 2019 International Development Cooperation Policy, the government also emphasises the importance of reducing dependency on foreign support by encouraging domestic resource mobilisation.⁴



REGULATORY INDEX

SCORE
1.00

The Government of Nepal imposes high regulatory barriers on foreign funding. Cross-border giving is effectively forbidden as the regulatory environment for receiving foreign funding has tightened in recent years.⁵

Approval for receiving overseas philanthropic donations is a lengthy process. Before receiving foreign funding, NGOs must obtain approval from the Social Welfare Council (SWC), the dedicated government agency to oversee the coordination, cooperation, mobilisation and promotion of social sector organizations.⁶ Upon receiving the donation, NGOs must report the details and purpose of the donation to the SWC and the Nepal Rastra Bank. For donations exceeding US\$100,000, NGOs must notify the Ministry of Foreign Affairs and the Ministry of Women, Children and Senior Citizens. NGOs must also seek approval from federal, district, and local authorities⁷ on how funds are applied.

The NGOs that participated in our survey noted that the approval process can take up to a month and once approved, transactions are exempt from import taxes. Many found the process lengthy, cumbersome, and costly. In cases of disaster response, the process delayed necessary assistance when needed.



INFRASTRUCTURE INDEX

SCORE

1.00

Nepal has a large NGO sector, with over 40,000 registered NGOs, many are small community-based organisations. However, there is no comprehensive list of registered NGOs in Nepal, making it difficult to find basic information. Efforts to fill information gaps and provide resources for small NGOs exist. For example, GTA Nepal, an advisory organisation, builds small NGOs' capacity to receive more funds independently.⁸ In addition, following concerns

around reports of money laundering and corruption after the 2015 earthquake,⁹ interview informants expressed the desire for professional intermediaries and a trusted network of partners to ensure transparency of funding and to cultivate trust with foreign donors, the government, and the local community in order to facilitate cross-border inflows to the country.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	• National Innovation Centre
Philanthropy advisory	• Social Welfare Council • GTA Nepal
Ecosystem promoter/ advocacy	• Association of INGOs in Nepal
Networks and membership organisations	• NGO Federation Nepal



NEW ZEALAND



REDINESS LEVEL

MEDIUM

Cross-border philanthropy in New Zealand, while more focused on giving to the Pacific Islands, has an enabling environment for growth. The philanthropy community in New Zealand is quite small and close-knit; most know one another, and they are keen to collaborate. The opportunity to join a larger community for international giving will be important in fostering greater cross-border giving from New Zealand, particularly for the younger generation.



CROSS BORDER GIVING INDEX

SCORE
2.75



REGULATORY INDEX

SCORE
3.70

Cross-border giving from New Zealand is modest. Total giving volume grew from US\$2.7 billion in 2010 to US\$3.8 billion in 2018.¹ However, philanthropic outflows in 2018 were estimated at US\$94 million, or 2.5% of total giving volume.²

Donors in New Zealand commonly don't make direct donations to foreign charities due to the lack of tax incentives. Instead, most give to local chapters of international organisations, local organisations that have strong government support, and donor advised funds. Giving offshore via churches accounts for a significant portion of total overseas giving. Investment in social entrepreneurship is also growing.³

Cross-border giving from New Zealand focuses on the Pacific Islands. Due to a sizeable Pasifika population in the country, many donations are driven by donors identified with Pacific ethnic groups. Much of the funding goes to environmental-related causes such as habitat preservation, climate change and wildlife. New Zealand's Asian diaspora has significant giving potential. According to 2018 census data, 15% of New Zealand's population identified as being of Asian descent. New Zealand has also become a popular destination for ultra-high-net-worth individuals, presenting opportunities to diversify its cross-border giving destinations.⁴

New Zealand has a restrictive but moderately enabled regulatory environment for cross-border giving. Regulations are clear with straightforward processes, and interested donors can avail themselves of various giving mechanisms. In most cases, organisations that connect donors with overseas organisations must follow reporting requirements under the Anti-Money Laundering and Countering Financing of Terrorism Act.

Limitations on the use of funds for overseas causes under the 2007 Income Tax Act pose a barrier to international giving. To issue receipts to enable donors to claim tax credits or deductions for their donation, a charity can only use up to 25% of funds for overseas charitable purposes,⁵ unless they have "overseas done status" under Schedule 32 of the Income Tax Act.⁶ This status may be granted to international humanitarian aid organisations that work toward⁷:

- relieving poverty, hunger, sickness, damages from war or natural disaster
- the economy of developing countries recognized by the United Nations
- raising the educational standards of a developing country recognized by the United Nations.

As such, overseas done status (and the ability to claim tax privileges for donations) may not extend to organisations focused on global health or environmental challenges or faith-based charities.



INFRASTRUCTURE INDEX

SCORE
2.88

Advocacy efforts to encourage cross-border philanthropy is underway. Private actors including Philanthropy New Zealand are involved in conversations with the government to encourage philanthropic investment by increasing support for incoming migrants who are “high impact individuals”, revising current investor migrant visa conditions, and removing the maximum cap on philanthropic donations.⁸

There is a need to bridge the knowledge and information gap. Limited knowledge about the efficacy of cross-border giving and regulations, perceived tight restrictions around government aid funding, and a common belief that outgoing private philanthropy is heavily controlled suppresses donors’ giving desire. Development jargon also appears to create a disconnect between donors, particularly younger potential donors, and the foreign charities and communities they wish to support.

A platform with ground-level expertise in advising and connecting stakeholders across various administrative systems and cultures would bridge the knowledge gap, simplify the process, and provide donors with more options to pursue cross-border giving.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS	
Research institutions	<ul style="list-style-type: none"> • AUT (https://www.aut.ac.nz/accounting-for-social-impact-research-group) • Impact Research (https://www.impactresearch.org.nz) 	
Philanthropy advisory	<ul style="list-style-type: none"> • Centre for Social ImpactAsia Foundation 	<ul style="list-style-type: none"> • Community Foundations of NZ
Grantmaking intermediaries	<ul style="list-style-type: none"> • The Gift Trust • Perpetual Guardian 	<ul style="list-style-type: none"> • JB Were
Ecosystem promoter/ advocacy	<ul style="list-style-type: none"> • Fundraising Institute NZ 	<ul style="list-style-type: none"> • Philanthropy NZ
Funders of infrastructure	<ul style="list-style-type: none"> • One Percent Collective • Bloomsbury Associates 	<ul style="list-style-type: none"> • The Funding Network
Philanthropy media	<ul style="list-style-type: none"> • Philanthropy News 	<ul style="list-style-type: none"> • Generosity New Zealand

PHILIPPINES

REDINESS LEVEL

LOW

Despite a decline in poverty headcounts to only 2.7% in 2018, income inequality in the Philippines was recorded at 42.3 in the World Bank GINI Index of the same year, among the highest in Southeast Asia.¹ Domestic philanthropy is expected to increase in the face of declining foreign funding with the country being classified as a middle-income country. This may partially explain the lack of interest among Filipino donors for giving outside of the Philippines. Diaspora giving and philanthropic investment are crucial to economic recovery and long-term development in the post-COVID-19 scenario.



CROSS BORDER GIVING INDEX

SCORE

1.00



REGULATORY INDEX

SCORE

2.70

There is limited cross-border philanthropic giving from the Philippines. Conversations with multiple stakeholders in the sector indicate limited activity in funding outside the Philippines. All four grantmaking foundations interviewed focused solely on domestic causes. One foundation engaged in an overseas leadership training programme for Filipino-Americans.²

NGOs depend highly on foreign funding and may need to expand funding sources in the face of shrinking foreign aid. Half (54%) of social development organisations surveyed for the Doing Good Index 2020 received foreign funding, which made up a fifth of their budget on average.³ The sector has observed consistently strong private philanthropy inflows channelled through diaspora groups, INGOs, and large local nonprofit organisations. Two-thirds of NGOs in our survey reported an increase in foreign funding in the last five years, mostly from individual and corporate donors and private foundations abroad. This could be partially credited to efforts to widen donor reach through online platforms such as Benevity, Raise Now, etc. and local giving platforms like Paymongo, DragonPay and GivingHero, as well as grantmaking intermediaries such as Give2Asia.

Although there are no explicit legal restrictions on outbound donations, the approval process is perceived to be rigid and challenging.⁴ Organisations that fail to comply with requirements of the Bureau of Internal Revenue may be forced to close.⁵ Some Filipino donors give from offshore accounts in locations where regulations are clearer or where they perceive less risk.⁶

The Philippines is relatively lax about receiving foreign donations but has tightened regulations on cross-border flows. Any cash inflow of more than US\$10,000 must be declared to the Central Bank and may be subject to investigation under anti-money laundering (AML) and counter-terrorism financing (CTF) policies.^{7,8} Recipients may be asked to submit other requirements, such as financial reports, sworn statements of declaration of funds, and certificates of existence of programmes and activities. In 2021, the government announced that recipients of foreign government funding must be reported to the Department of Foreign Affairs.⁹ These policies' effect on NGOs' ability to receive foreign funding remains unclear and the sector is watching with caution.



INFRASTRUCTURE INDEX

SCORE

1.38

With over 80,000 registered NGOs, the Philippines has a robust social sector and vibrant philanthropic ecosystem. There is an active advocacy community among civil society organisations.

According to the Philippine Trust Index 2021,¹⁰ public trust in the NGO sector grew from 37% in 2019 to 70% in 2021. This positive development may reflect the sector's visibility during the COVID-19 pandemic. Although the Philippines Council for NGO Certification (PCNC)¹¹ does not grant tax incentives to foreign donors as it does to domestic donors, the increasing number of NGOs seeking PCNC status each year, coupled

with increased trust in the sector, illustrate the sector's readiness to improve accountability and governance.

However, many NGOs reported lacking fundraising capacity to access a wider range of funding sources including foreign funding and through digital funding platforms, which have become prominent mechanisms due to the COVID-19 pandemic. Only a quarter of NGOs who responded to our survey reported having dedicated staff for fundraising; all of them indicated needing more internal fundraising capability to unlock funding potential.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS	
Research institutions	• Venture for Fundraising	
Grant making intermediaries	• The Philippines Foundation • Philippine International Aid • SPARK Project	• Gava Gives • Bayanihan Foundation
Networks and membership organisations	• Philippine Business for Social Progress • Philippine Council for NGO Certification	• Association of Foundations • League of Corporate Foundations
Ecosystem promoter/advocacy	• Philippine Council of NGO Certification	• Caucus of Development NGOs
Philanthropy media	• Tatler Philippines • Forbes Magazine • ABS-CBN	• GMA 7 • Philippine Daily Inquirer • Rappler

SINGAPORE



REDIENESS LEVEL

MEDIUM

With an increased concentration of family offices in recent years¹, Singapore prides itself as the Southeast Asian hub for businesses and financial institutions. It also has an enabling ecosystem that permits and enables giving overseas with relative ease. However, the regulatory framework for cross-border giving is notably restrictive and there is limited overt promotion of cross-border giving among policy makers and the philanthropy sector. Singapore's success to become a regional hub for Asian philanthropy will depend on alignment among policy makers to develop better infrastructure and policies to enable giving outside of the country.



CROSS BORDER GIVING INDEX

SCORE
2.50

Singapore-based donors interested in giving regionally and internationally are diverse, ranging from seasoned philanthropists to those just starting out on their cross-border giving journey, as well as from first-generation to third-generation family foundations, and community and institutional foundations. Singapore is also a base for many non-Singaporean residents who desire to give back to their home countries. Education, healthcare, social entrepreneurship, and poverty alleviation are popular among the donors that participated in our study. Large portions of funding go to Cambodia, Indonesia, Myanmar, and Vietnam.

While a variety of giving strategies are available to donors, a majority of donors conducted their cross-border giving via direct international bank transfer. Few donors utilised intermediary services, mostly for giving to China – Mainland or to contribute to global or regional collective funds. Many donors, particularly the younger generation of philanthropists, are hands-on in their approach and provide support to overseas charities beyond funding such as capacity building, ideas exchange and networks.

Multi-National Corporations (MNCs) with branch offices in Singapore tend to donate

to regional causes from their US or Europe headquarters. This may be for ease of fund flow or tax incentive reasons. Giving is also done via business entities operating in the recipient country, which is simpler than transferring funds overseas².



REGULATORY INDEX

SCORE
2.50

Singapore has a robust but relatively stringent framework to regulate cross-border giving. Charitable organisations must apply for a permit from the Commissioner of Charities to fundraise for foreign charitable purposes. In 2020, "fundraising" was expanded to include the mere receipt of funds.³ If funds are raised from the public, expenditure must comply with the "80:20 Fundraising Rule", which limits the funds raised that can be used overseas to 20 percent⁴. This rule is waived for private fundraising or disaster relief.

Banks in Singapore have a robust framework for Anti-Money Laundering (AML) and Know Your Customer (KYC) requirements. At the bank's discretion, donations exceeding SGD 10,000 (around USD 7,300) can be subjected to AML regulations, which entails detailed due diligence on money sources, grant purpose, and credentials of receiving foreign charities⁵.

Tax incentives for cross-border giving are not available. Although Singapore has the most generous tax incentives for charitable donations with 250% tax deductibility, this does not apply to donations that go overseas⁶. Unlike other markets, there are no available mechanisms for donors to enjoy tax benefits such as giving through domestic organisations for overseas projects.



INFRASTRUCTURE INDEX

SCORE
3.00

Singapore has seen strong public-private partnerships to raise its position as the business and philanthropic regional hub, creating a relatively thriving support ecosystem for cross-border giving. The Singapore Economic Development Board (EDB)⁷ is a government agency that aims to enhance Singapore's position as a global centre for business, innovation and talent. The International Organisations Programme Office (IOPO) at EDB⁸

engages international non-profit organisations, foundations and philanthropic organisations to establish a presence in Singapore. The office also works to develop an enabling environment for partnerships and programmes between these organisations and the Singapore philanthropic sector.

There is also a concentrated availability of knowledge providers as well as intermediaries to facilitate cross-border transactions, creating an enabling support environment for cross-border philanthropy. Active players in producing a wide range of knowledge on regional and global philanthropic trends include Asia Philanthropy Circle (APC), Asian Venture Philanthropy Network (AVPN), Singapore Management University, and the Centre for Computing for Social Good & Philanthropy⁹. There is a further need for Singapore-based philanthropists to work in collaboration with partners and the government to effectively facilitate and promote philanthropic giving across border.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	<ul style="list-style-type: none"> • The Lien Centre for Social Innovation at Singapore Management University (SMU) • The Centre for Computing for Social Good & Philanthropy (formerly known as NUS Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP)) • Centre of Excellence for Social Good at Singapore University for Social Sciences (SUSS)
Philanthropy advisory	<ul style="list-style-type: none"> • Asia Philanthropy Circle (APC) • WISE Philanthropy Advisors
Grantmaking intermediaries	<ul style="list-style-type: none"> • Credit Suisse's SymAsia Foundation • UBS Optimus Foundation
Ecosystem promoter/ advocacy	<ul style="list-style-type: none"> • Asian Venture Philanthropy Network (AVPN) • Wealth Management Institute [capacity building for philanthropy professionals / private wealth advisors]
Funders of infrastructure	<ul style="list-style-type: none"> • Temasek Foundations

CHINA-TAIWAN

REDIENESS LEVEL

LOW

The Taiwanese government has a strong interest in strengthening relationships with Southeast Asian countries, signalling promising cross-border opportunities for interested donors. Despite the current strict regulatory environment due to money laundering concerns, some non-profit organisations have been advocating for lower barriers to donation flows.



CROSS BORDER GIVING INDEX

SCORE

1.00



REGULATORY INDEX

SCORE

2.20

Amid strong interest in domestic issues among Taiwanese donors, in line with government priorities and public sentiments, cross-border giving is slightly growing. More individual donors are giving to foreign causes through INGOs, such as Greenpeace, World Vision, Amnesty International, Buddhist Tzu Chi Charity Foundation, and Médecins Sans Frontières, partly owing to these organisations' improved efforts in public fundraising, strong international network, and global branding. This trend is also driven by young generations with global mindsets who are digitally savvy. While these donors may not increase their giving, the number of donors interested in giving smaller amounts overseas may rise.¹

The New Southbound Policy introduced in 2016 to strengthen Taiwan's relationships with Southeast Asian countries may expand opportunities for Taiwanese nonprofits to leverage resources from the government to increase overseas donations.²

China-Taiwan is a destination for cross-border giving with an increasing trend in inbound donations. The top donors mainly come from the United States. The political situation in Hong Kong may have steered some U.S.-based nonprofits, especially those supporting civil society organisations, to support Taiwan instead.³

Giving from China-Taiwan requires government approval and submission of detailed descriptions of activities. Unless exempted, an organisation is charged with an additional 20% tax for every outbound donation. Exemptions are typically limited to humanitarian relief or areas that maintain diplomatic relations with the government.

Inbound donations fall under the oversight of the Money Laundering Control Act, which requires a high level of transparency. Recipient organisations are required to detail information about the incoming funds to local banks who then prepare a risk evaluation report. Foreign donations as small as NTD 500,000, equivalent to US\$17,000, must be reported to the Central Bank.⁴ The reporting requirement creates a significant barrier to receiving foreign funding. Some Taiwanese nonprofits reportedly preferred not to receive international funds due to the administrative burden.⁵



INFRASTRUCTURE INDEX

SCORE
1.75

There are limited advocacy actors and efforts in China-Taiwan. Taiwan Alliance in International Development (Taiwan AID), which is an umbrella organisation of Taiwanese NGOs working in international development, is the main actor in this space. However, most conversations revolve around official development assistance policy.⁶ The image of “Taiwan Can Help” has been advocated through global citizen education to engage general public in global charity.

Language barriers, particularly English, and burdensome administrative processes are obstacles for many Taiwanese NGOs.

Information about global funding opportunities for NGOs are limited. The Taiwan NPO Self-regulation Alliance is among a few actors who conduct fundraising campaign and NGO education services.

Support for Taiwanese donors to navigate the complex regulatory environment still lacking. Professional intermediaries are critical to ensure trust and encourage a more outward giving culture among Taiwanese donors and to help raise the visibility of Taiwanese NGOs and local needs.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	<ul style="list-style-type: none">• Fu-Jen University• Yunus Social Business Centre, National Central University
Philanthropy advisory	<ul style="list-style-type: none">• Association of Philanthropic Association• PWC CSR and Consulting Company
Grantmaking intermediaries	<ul style="list-style-type: none">• United Way Taiwan
Ecosystem promoter/advocacy	<ul style="list-style-type: none">• Social Enterprise Insights• Association of Philanthropic Association• Taiwan NPO Self-regulation Alliance
Networks and membership organisations	<ul style="list-style-type: none">• Taiwan Alliance in International Development
Funders of infrastructure	<ul style="list-style-type: none">• Ming-Yi Foundation• CHEN,YONG-TAI Charity Trust
Philanthropy media	<ul style="list-style-type: none">• NPOst• Right Plus

THAILAND

REDINESS LEVEL

LOW

With a tradition of giving influenced by Buddhist values, private giving in Thailand focuses on domestic religious causes even as the country has a thriving presence of international aid organisations, enabling regulations, and uncomplicated banking processes. The government's proposal for a new law governing NGOs indicates its intention to tighten oversight of the social sector in general, and effectively control cross-border transactions. The growth potential of the sector will largely depend on the success of ongoing advocacy efforts for lower regulatory barriers to cross-border philanthropy.



CROSS BORDER GIVING INDEX

SCORE
1.00

The majority of philanthropic giving in Thailand is personal and domestic focused. Giving is often conducted through traditional forms of charity and often tied to religious customs rather than through professional philanthropy.¹

Substantial giving is driven by large family businesses through corporate social responsibility programmes or through small foundations established by high net-worth individuals. Private giving almost exclusively focuses on religious causes or domestic causes supported by the Government of Thailand or the Royal Family to foster relationships.²

Giving interests and motivations are changing among different generations. The next generation of donors have international mindsets and broader global experiences and sector actors observe that many younger donors are not as motivated to give to religious causes as generations before have.³ Given a rise in international exposure, younger generations may be critical in expanding charitable giving beyond Thailand's national boundary in the near future.



REGULATORY INDEX

SCORE
1.70

The Government of Thailand imposes heavy oversight over cross-border transactions. Every cross-border donation is subject to an onerous approval process with the Ministry of Finance. Recipient charitable organisations are required to submit activity reports and share the signed donor agreement and Memoranda of Understanding with the Ministry. Taxes are often applied on cross-border transactions (both in-cash and in-kind donations) unless recipient organisations apply for a tax exemption.⁴ In February 2021, the Social Development and Human Security Ministry proposed a bill to promote and develop NGOs. Under this bill, NGOs would be required to register with the state and a committee comprised of state and non-state agencies would oversee NGO affairs.⁵ While the bill aims to better regulate NGOs' performance, many in the sector are concerned that tightening oversight on the use of funds and increased administrative burden to receive cross-border funding will limit the scope and scale of civic activities in the country. Advocacy efforts were underway against the passing of this law.



INFRASTRUCTURE INDEX

SCORE

1.00

Philanthropic giving in Thailand is heavily relationship-based. Most philanthropists choose organisations to support based on personal preference or through referrals rather than through data. Strategic philanthropy remains in its infancy and there are limited support ecosystem players. Consequently, the sector lacks robust monitoring systems for transparency and accountability.⁶

Local NGOs sometimes lack the capacity to navigate administrative paperwork, particularly those in foreign languages, to access foreign funding. As a result, funding usually first goes to INGOs before disbursement to local organisations.⁷ There is an opportunity and a strong need to build local NGOs' capacity to connect with potential donors from abroad.⁸

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Research institutions	• Thailand Development Research Institute
Philanthropy advisory	• Giving Back Association
Grantmaking intermediaries	• Social Giver • Rockefeller Foundation Thailand
Networks and membership organisations	• Thai Young Philanthropist Network

VIETNAM

REDINESS LEVEL

LOW

Since becoming a lower middle-income country in 2008, Vietnam has seen a reduction in foreign aid and private funding from institutional and multilateral donors. The Doing Good Index 2020¹ described the social sector in Vietnam as a sector in transition. Private philanthropy is stepping up as nonprofits become more proactive in fundraising and developing operational mechanisms to foster growth. However, more efforts are needed to strengthen philanthropic infrastructure and grow the sector as a whole.



CROSS BORDER GIVING INDEX

SCORE
1.00

Private philanthropy in Vietnam has been growing. In the past, people mostly donated to temples or ancestral places of worship for good luck. However, institutionalised giving is growing among first generation high net-worth individuals,² foreign corporates with a local presence in Vietnam, and local businesses.³ The new generation is leading a new giving mindset and culture.

There is a strong focus on domestic issues among Vietnamese donors, given the high needs in the country. In the cross-border philanthropic ecosystem, Vietnam is primarily a recipient of foreign philanthropic funds.

Institutional and multilateral/bilateral donors have gradually redirected their support to lower income recipients, leading to a funding crunch in Vietnam's social sector. Causes that were high on the aid agenda such as HIV and basic nutrition, have seen drastic reductions in funding as other areas like infrastructure, education, and the environment receive more attention. Meanwhile, issues related to human rights, country borders, or ethnic minorities are highly sensitive and closely regulated.



REGULATORY INDEX

SCORE
1.00

Despite the lack of specific regulations regarding outbound charitable donations from Vietnam, cross-border giving is practically impossible, due to stringent capital controls and regulatory bureaucracy.⁴

The ease of receiving foreign funding is a matter of experience and relationships. Vietnam is generally cautious about foreign influence, particularly in relation to security and geopolitical issues. To receive foreign funding, an organisation must obtain a license, which is valid for three years, with approval from seven government ministries.

In 2020, new legislation⁵ on inflow policies introduced additional administrative requirements. Local NGOs must seek pre-approval from multiple government agencies and ministries before it can use funds, which can take up to 18 months.⁶ Approval is project-based and provided on a case-by-case basis. While this may not affect experienced organisations with established relationships with government authorities, smaller organisations may find it challenging. Many small organisations opt to function as subgrantees of INGOs operating in Vietnam or larger domestic NGOs.



INFRASTRUCTURE INDEX

SCORE

1.00

Vietnam requires stronger infrastructure to ensure philanthropic investments are effective, transparent, and accountable. As private wealth grows, the philanthropy sector has also grown significantly. However, giving in Vietnam remains overwhelmingly in the form of traditional charity, driven by affiliation and personal motivations rather than strategic intent.⁷

During and after large disasters, self-organised fundraising campaigns proliferated social media platforms and informal networks. Some campaigns have received positive public responses and reached millions of dollars in donations. However, many lacked the proper

monitoring and management mechanisms to ensure transparency and effectiveness of the fund disbursement, resulting in various scandals that eroded public trust. Infrastructure, including professional philanthropy advisory services and good governance and accountability mechanisms to incentivise giving and promote accountability are critical to maintain and encourage the momentum of the sector's growth.

Conversations with local and international NGOs also revealed a need for information on a wider network of overseas donors, particularly private and corporate foundations in Asia and other regions.

ECOSYSTEM SUPPORT ROLE	ORGANISATIONS
Knowledge provider	• Center for Education and Development (CED)
Philanthropy advisory	• Raise Partners
Ecosystem promoter/advocacy	• LIN Centre for Community Development • Management and Sustainable Development Institute (MSD)

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Appendix A

Tax incentive rates

TABLE 1: Rates of tax incentives for individuals

LOCATION	TAX INCENTIVE RATE FOR INDIVIDUALS (% DONATION)	TAX INCENTIVE LIMIT FOR INDIVIDUALS (% INCOME)	SPECIFIC ELIGIBILITY CONDITIONS APPLY TO CROSS-BORDER DONATIONS
GROUP 1			
Australia	100	No limit	Only through Public Benevolent Institutions with deductible gift recipient status
China - Hong Kong SAR	100	35	Through locally registered NPOs working in poverty relief, education or religion
New Zealand	33.3	33.3	Only Schedule 32 charities can issue tax receipts for cross-border giving
Japan	100	25-40	Through approved NPOs with overseas operation
South Korea	100 - 30 - 10*	15 up to KRW10M, 30 for the excess	Only through registered iNGOs or NPOs with overseas operation <i>* rate varies depending on the nature and type of grantees</i>
GROUP 2			
China - Taiwan	100	20	Through domestic NPOs with case-by-case approval
Malaysia	100	7	Through domestic NPOs
Singapore	250	<US\$60K	No tax deductibles for cross-border giving
GROUP 3			
China - Mainland	100	30	Through case-by-case approval and overseas operational funds
India	100	5	Through case-by-case approval
Indonesia	50 to 100	10	Through case-by-case approval
Nepal	100	5	Cross-border giving is not possible
Philippines	100	10	Through domestic NPOs
Thailand	100	10	Through case-by-case approval
Vietnam	100	<US\$480/month	Cross-border giving is not possible

TABLE 2: Rates of tax incentives for corporates

LOCATION	TAX INCENTIVE RATE FOR CORPORATES (% DONATION)	TAX INCENTIVE LIMIT FOR CORPORATES (% INCOME)	SPECIFIC ELIGIBILITY CONDITIONS APPLY TO CROSS-BORDER DONATIONS
GROUP 1			
Australia	100	No limit	Only through Public Benevolent Institutions with deductible gift recipient status
China - Hong Kong SAR	100	35	Through locally registered NPOs working in poverty relief, education or religion
New Zealand	33.3	5	Only Schedule 32 charities can issue tax receipts for cross-border giving
Japan	100	-	Tax deductibility for corporate cross-border giving is possible to approved international projects by the Council for Better Corporate Citizenship
South Korea	100 - 30 - 10	10-50	Only through registered iNGOs or NPOs with overseas operation
GROUP 2			
China - Taiwan	100	10	Through domestic NPOs with case-by-case approval
Malaysia	100	10	Through domestic NPOs
Singapore	250	-	No tax deductibles for cross-border giving
GROUP 3			
China - Mainland	100	12	Through case-by-case approval and overseas operational funds
India	50 to 100	10	Through case-by-case approval
Indonesia	100	5	Through case-by-case approval
Nepal	-	-	Cross-border giving is not possible
Philippines	100	5	Through domestic NPOs
Thailand	100	2	Through case-by-case approval
Vietnam	100	-	Cross-border giving is not possible



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