

# 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.<sup>1</sup>

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.<sup>2</sup>

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.<sup>3</sup>

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.<sup>4</sup> 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.<sup>5</sup>



## 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.<sup>6</sup> 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"><li>• Fu-Jen University</li><li>• Yunus Social Business Centre, National Central University</li></ul>
Philanthropy advisory	<ul style="list-style-type: none"><li>• Association of Philanthropic Association</li><li>• PWC CSR and Consulting Company</li></ul>
Grantmaking intermediaries	<ul style="list-style-type: none"><li>• United Way Taiwan</li></ul>
Ecosystem promoter/advocacy	<ul style="list-style-type: none"><li>• Social Enterprise Insights</li><li>• Association of Philanthropic Association</li><li>• Taiwan NPO Self-regulation Alliance</li></ul>
Networks and membership organisations	<ul style="list-style-type: none"><li>• Taiwan Alliance in International Development</li></ul>
Funders of infrastructure	<ul style="list-style-type: none"><li>• Ming-Yi Foundation</li><li>• CHEN,YONG-TAI Charity Trust</li></ul>
Philanthropy media	<ul style="list-style-type: none"><li>• NPOst</li><li>• Right Plus</li></ul>