

Industry - NGOs, Non-Profits, and Foundations

Introduction

Non-governmental organizations (including non-profits and foundations) have all played a key role in Asia's economic and social development. As the region's economies have developed, social organizations have become pivotal in the collaboration between communities, industry and government.

These dynamic countries all have different, rapidly evolving systems and circumstances that often catch foreign organizations unaware or cause uncertainty in how to proceed. Obtaining correct advice on how your organization can legally operate is an essential component to a non-profit's strategy in Asia, where such organizations are often treated differently than in their home country.

Whether committed to connecting community and business leaders, promoting education, or engaging in other social undertakings, Dezan Shira & Associates will help you get things done right the first time, as seamlessly as possible

Key business challenges

NGOs, Non-Profits (NPOs) and Foundations are facing increasingly tough regulations and compliance requirements as governments in Asia modify their regulatory environments to keep pace with economic development. Matters such as office structure, registration and permitted activities, as well as financial reporting requirements have all experienced a rise in new rules.

A few of the more common and impactful challenges companies face in the region include:

Registration

Whether operating as a non-profit, foundation, or other NGO structure, many countries in Asia require special registrations for these types of entities. Identifying whether an organization needs to register as a distinct non-profit / NGO entity or a for-profit subsidiary is an important first step in entering the market, determining permitted business activities, and qualifying for potential tax exemptions or benefits.

Tax Exemptions

Various jurisdictions permit exemptions or other tax relief programs for non-profit entities. These programs or exemptions can range from turnover taxes on all or certain types of transactions, to reduced or fully exempt corporate income tax status.

For non-profits, prudent financial management includes knowing the type of non-profit entity to register and available tax relief programs for such entities. By establishing proper document collection, filing, and internal control procedures for these tax relief programs, non-profits can maintain applicable tax benefits, increasing available funds that would otherwise go towards the government.

Regulation of Funding

Non-profits often require different and/or additional reporting compliance requirements than for-profit entities, many jurisdictions may even have different registration and reporting authorities. Understanding which authorities to report to and the requirements is essential to maintaining compliance and in claiming the tax or other benefits that may be extended to a non-profit.

How we can help

Registration

Our Legal team can assist non-profits in identifying and registering the most appropriate type of entity – be it a nonprofit, foundation, other type of NGO structure, or even a for-profit subsidiary.

DSA can help review local projects or cooperation programs in Asia that organizations are operating without a locally registered entity to support them, and determine if any special temporary or project registrations need to be conducted. If required, we can then assist with registrations to keep your project, employees, and contractors compliant in Asia.



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Tax Exemptions

To help optimize your organization and tax structures, our Corporate Accounting Services and Tax Advisory teams can assist with corporate tax structuring and planning. To implement these structures, we can also provide full-service support for tax exemption and tax relief program applications / filings, along with corporate accounting services.

Regulation of Funding

Ensuring compliance in funding is vital to the successful operation of a non-profit. Our Corporate Accounting Services and Tax Advisory teams can assist in planning and structuring funding activities to ensure compliancy from the start. At every stage our teams can assist in coordination with banks, banking authorities and other non-profit registration authorities for relevant filings of non-profit funding sources.

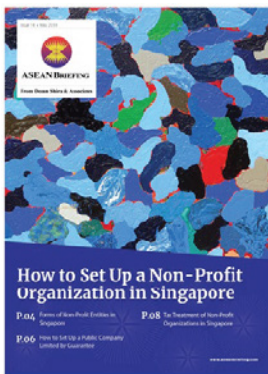
Reporting and Compliance

To ensure your organization and your team is always compliant, our Legal Services and Audit teams can assist with statutory annual filings as well as specialized ad-hoc filings specifically required for non-profits, such as annual work reports.

Why Dezan Shira & Associates

For more than 3 decades, Dezan Shira & Associates has helped foreign firms and organizations in Asia face and overcome market entry and expansion challenges with our multi-disciplinary taskforce. Operational throughout China, ASEAN and India, we guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business in the region.

Selected reading for manufacturers considering relocation:



How to Set Up a Non-Profit Organization in Singapore

[READ MORE](#)



Setting Up a Foreign NGO in China



How to Set Up an NGO in Vietnam

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