avpn

# GETTING STARTED IN VENTURE PHILANTHROPY IN ASIA

## LEGAL FRAMEWORK PROFILE for JAPAN

Download from : **www.avpn.asia/startVPO**

Compiled with the pro bono support of

CLIFFORD CHANCE

EDITED BY SIMON CHADWICK | APRIL 2014

# CONTENTS



Published by the Asian Venture Philanthropy Network Limited (AVPN).

This country profile forms part of the second section of the publication
"GETTING STARTED IN VENTURE PHILANTHROPY IN ASIA"
Copyright © 2014 AVPN, ISBN : 978-981-09-0425-8

This edition April 2014

Email: info@avpn.asia
Website: www.avpn.asia



Authors: Edited by Simon Chadwick
Design and typesetting: Drummond Printing Pte Ltd (www.drummond.com.sg)

ATTRIBUTION:
AVPN would like to thank Eiichi Kanda, Yusuke Abe and Kaya Ueda of Clifford Chance for preparing the information in this country profile on a pro bono basis. For more information please contact the contributors as listed at the start of the country profile. We would also like to thank Elaine Tan.

**Elaine Tan, Director at BFI @ SMU, contributor to the legal framework profile section:**
Elaine joined SMU in August 2012 to spearhead the establishment of BFI @ SMU. Before this she was Chief Executive Officer for Southeast Asia for the international philanthropic advisory organisation, the Charities Aid Foundation (CAF). Elaine also spent more than 12 years both as a litigation lawyer in private practice and then as an in-house corporate and commercial lawyer with Singapore Airlines and then JPMorgan Chase Bank.

**About Business Families Institute @ Singapore Management University (BFI @ SMU):**


SMU established BFI @ SMU to be Southeast Asia's first business family centric institute focused on addressing the needs of business families in the region through its vision to facilitate business families to think generations, think growth and think giving. BFI @ SMU intends to serve as an educational, engagement and research platform to bring together business families, drawing on the university's experience to offer insights on issues such as business succession and family ownership. Its mission is to engage and enable business family members to be active, committed and involved stewards, stakeholders and partners through learning and education.
**More information at http://bfi.smu.edu.sg/**

Where amounts in the reports have been converted from local currency to US dollars the following exchange rate have been used for reference: US$1= JPY97.60 (source oanda.com average rate for CY 2013, midpoint interbank rate). The amounts will change based on actual exchange rates and changes to the underlying costs, fees and charges from the date of this report.

# GETTING STARTED IN VENTURE PHILANTHROPY IN ASIA

## LEGAL FRAMEWORK PROFILE for JAPAN

WITH THE SUPPORT OF :


EDITED BY SIMON CHADWICK | APRIL 2014

# INTRODUCTION TO THE LEGAL FRAMEWORK AND COUNTRY PROFILES

The country legal framework profiles are companion booklets to AVPN's "Getting Started in Venture Philanthropy in Asia - a practical guide to establishing and operating a venture philanthropy or social investment organisation". The guide explains the key operational issues and the separate country legal frameworks focus on legal issues to supplement the main guide. The guide and each country profile are available to download from **www.avpn.asia/startVPO .**

**1. Overview of the Legal Framework**

There are corporate law, charities law, tax law and possibly financial regulatory fund raising and fund management issues, arising at different levels of the venture philanthropy (VP) eco-system. Some venture philanthropy organisations (VPOs) want to attract foreign as well as domestic funds and so factors affecting the cross-border flow of funds in the VP eco-system are critical considerations to these VPOs. As VP investments cover the spectrum from charities to social enterprises, the analysis of funds flows from top level funders to VPOs as intermediaries, and to social purpose organisations (SPOs), needs to consider both donations and a range of other financial instruments. The flow in the return direction of social impact (monitoring and reporting) and financial return (in the case of social investment) is equally important.

Some Asian countries (e.g. Singapore and Hong Kong) are already major financial centres and want to attract regional or offshore philanthropic and social investment funds. They have well developed cross-border fund management laws and regulations and skilled investment practitioners that apply to these activities.

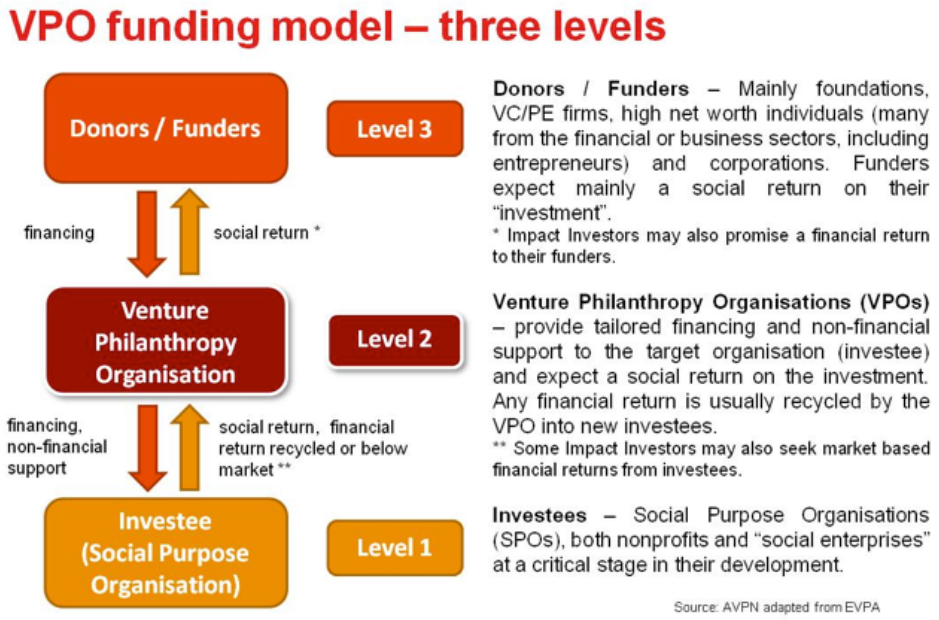
This introduction describes the framework used for each of the five country profiles that have been prepared with the pro bono support of leading law firms. These profiles are available for download in softcopy - see the end of the introduction.

**2. The Three Level Perspective of the VP Eco-system**

For this legal framework section and the stand alone country profiles our approach is to consider the venture philanthropy eco-system as operating on three same three levels in the main section of the AVPN report “Getting Started in Venture Philanthropy in Asia”. The top level (Level 3) comprises the funders seeking social returns, the middle level (Level 2) comprises the VPO intermediaries that raise funds and deploy the funds through various VP strategies and the bottom level (Level 1) comprises SPOs seeking resources (financial, human and intellectual capital) to grow their activities.

These three levels represent a flow from end suppliers (level 3), through specialist intermediary suppliers (level 2) to the demand side (level 1) which serves a range of beneficiaries / customers / service users.

This is shown in Diagram 1 as follows:



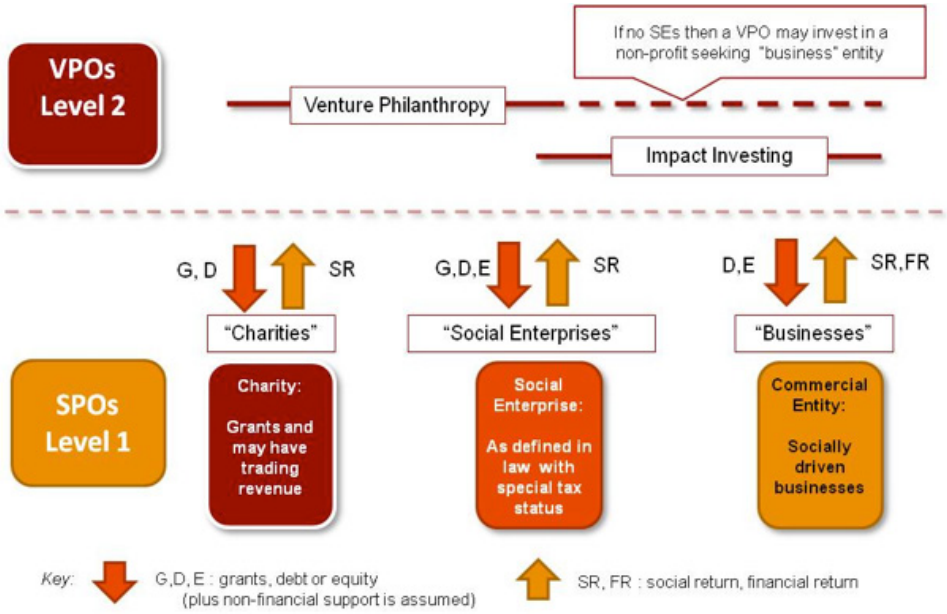

As the primary social impact is generated at the base of the eco-system and flows up, we start the analysis of legal entities at Level 1 which is the investee Social Purpose Organisations (SPOs) that are commonly available in each country. The choices of entity for VPOs at Level 2 of the eco-system are often similar to the entities used by SPOs at Level 1. The sources of funding flowing down from Level 3 may be donations/grants or, depending on the VPO strategy, other financial instruments such as debt and equity. Some VPOs at Level 2 may have a hybrid investment strategy in SPOs (i.e. grants, debt and equity) and so receive hybrid funding. VPOs decide whether they want to re-cycle financial return from their investee SPOs to fund their own costs and make new investments, and/or make distributions to their funders. A related choice is whether the VPO is a limited life organisation, raises new rounds of funding from time-to-time, or is intended as an evergreen vehicle that is self sustaining.

**3.Choice of Entities for Social Purpose Organisations at Level 1**

There are a wide range of legal entities that may be available for SPOs at Level 1 but these can be broadly grouped as Charities, Social Enterprises and Commercial Entities (or Businesses). In the five countries considered by this framework there are no separately defined legal entities that are "Social Enterprises" -that is entities that they have special tax status and are effectively a hybrid between a business entity and a charity.

A list and description of the main types of SPO in a country is a basic building block of the legal framework profiles in the country profile reports.

For each country profile, the simplified investee SPO choices and available financing instruments are shown in Diagram 2 below:

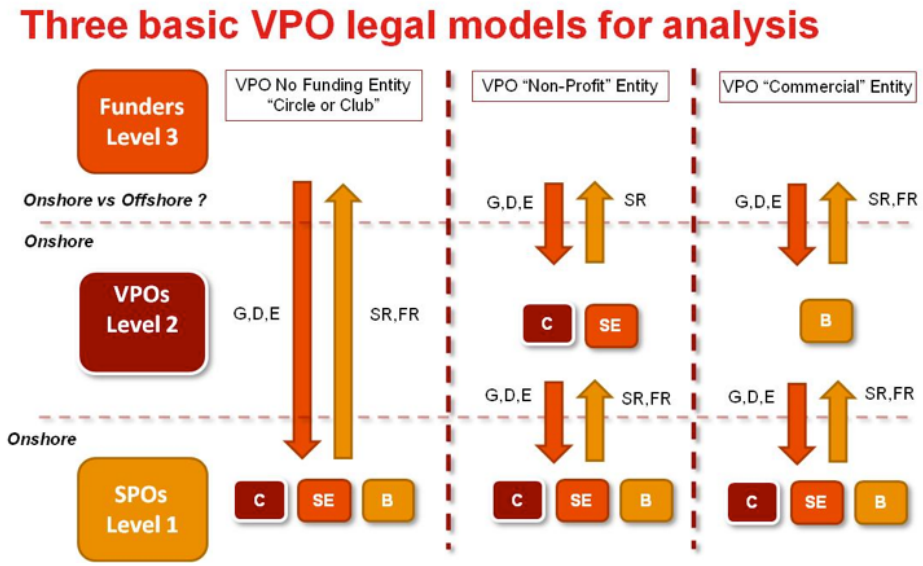



In some countries social businesses (and social entrepreneurs) may be attracting investment for only social return, or for a mix or social and financial returns. These entities are often commercial entities which have a social mission and may adapt their governing documents to prohibit distributions and/or restrict transfers of ownership so that they become social "impact first" or "impact only" organisations.

**4. Choice of Entities for Venture Philanthropy Organisations at Level 2**
A VPO consists of a management team and a source of funding. These are often contained in a single legal entity but may be separated into a "fund" entity and an advisory (or consulting) entity.

Building on the SPO entity types and financial instruments that can be used to fund them, the legal framework country profiles consider three generic VPO operating models that are adapted and commonly used in Asia. The sponsors of a new VPO will likely choose a variation of one of these three models depending on the resources available to the VPO, its investment strategy and country of operation. The most important decision factor is whether the VPO wants to follow a grant approach, a social investment approach or a hybrid, i.e. whether the VPO will seek investee SPOs that provide both social and financial returns, and whether the VPO offer its funders both social and financial returns.

The generic flows of funding and target social and/or financial returns are shown for the three models in Diagram 3 below:




The three operating models (above from left to right) are:

(1) A "virtual fund" where the fund itself is not a legal entity and the VPO operates as a consulting company. This model may be called a "social impact circle" or "social investor club" or simply a "venture philanthropy advisor). Examples include Dasra (India) and Asia Philanthropic Ventures (Singapore).

(2) A VPO entity which only offers social return to its funders. This model may be called a "venture philanthropy fund" or a "venture philanthropy foundation" and is often a charity and/or foundation.

(3) A VPO entity which offers both social and financial return to its funders and operates as an "investment fund" in the form of limited partnership or investment holding company, or other commercial entity, that can tax efficiently receive financial returns from SPOs and provide financial returns to its funders.

One of the main differences between more traditional venture philanthropy "investing" using grants and social investment is the promise and ability of the VPO to transmit a financial return from Level 1 to Level 3 through its activities at Level 2.

**5.Executive Summary of the Five Countries Profiled**

Given the depth and breadth of information provided by the various law firms for the five jurisdictions, it is useful to provide a high-level observation of some of the key highlights of each country's legal landscape insofar as it relates to establishing a venture philanthropy organisation (VPO) in Asia.

**Singapore**
While there is no legal entity that is a hybrid between a charity and a traditional commercial entity in Singapore, the majority of charities and non-profit organisations in Singapore are established in the form of a company limited by guarantee (CLG) i.e. the liability of its members is limited by its constitutional documents to such amount as the members undertake to guarantee. While a CLG can accept donations and grants, it is unable to receive funding in the form of equity as it does not have share capital. Conversely, a CLG may accept debt funding insofar as it does not contravene the provisions of its constitutional documents although the receipt of debt funding may have implications under the Securities and Futures Act (SFA).

A CLG may be, in turn, registered and regulated as an approved charity in Singapore in order to enjoy full income tax exemption on income and receipts. In relation to the use of charities as a vehicle for venture philanthropy, the guidelines issues by the Office of the Commissioner for Charities (OCC) is relevant as it discourages charities from engaging in activities which exposes the charity's assets to significant risk. As such, although the investment of charity funds is not strictly prohibited, the OCC advises such charities to set up a separate business subsidiary for business activities where such business activities are not related to the primary purpose of the charity.

In relation to Level 2 VPOs in the form of CLGs or otherwise, the restriction is that they cannot distribute profits to its stakeholders (be they founders or members) if the VPO is a registered charity or entities that have special charitable status. Although a VPO may be able to pay interest on loans taken from its members, this is subject to any restrictions provided in its constitutional documents. Further, as a non-profit VPO is supposed to carry out wholly charitable purposes, it is unlikely to be able to make either an offer of securities or carry on business as a regulated activity, both of which will trigger the relevant financial regulatory restrictions or the Moneylenders Act. For these reasons, it is also unlikely to be able to give loans to Level 1 SPOs and expect returns thereon.

**Hong Kong**
The legal position in Hong Kong is very similar to that of Singapore in that most charitable organisations are CGLs. As a general observation, most charities in Hong Kong are funded by donations and grants. Debt funding is uncommon (and will depend on any restrictions contained in the constitutional documents) and equity funding is generally inapplicable given that most charities are CGLs, societies or set up as a trust. Similar tax exemptions apply to both Singapore and Hong Kong for Approved Charities that continue to have a charitable purpose. In the context of the proposed VPO models which imply a flow of funds to and/or from a profit-driven commercial entity, this may breach the on-going charitable purpose compliance requirement.

In relation to the "No Funding" Entity Model, this is often the simplest model as there is no intermediate VPO entity and the funding will flow directly from the funder to the SPO. However, funders providing funding to the Level 1 SPO through debt may trigger the requirements of the Money Lenders Ordinance (MLO). Another complication is that the constitutional documents of the Level 1 SPO (assuming that it is an Approved Charity for tax reasons) may and probably should prohibit the distribution of income. Therefore, financial returns to a funder may not be permissible. In relation to the Level 2 VPO "Non-Profit" Model, there are additional twin complications of (a) whether a Level 2 VPO that is an Approved Charity would be permitted to provide funding to a Level 1 SPO, and (b) whether a Level 2 VPO that is an Approved Charity can provide a financial return to the Level 3 Funders. In order to overcome these impediments, the Level 2 VPO "Commercial" Entity Model may be the most viable structure if the flow of financial returns is imperative although such an entity would not have the tax benefits accorded to the an Approved Charity.

**China**
In China, entities that are able to carry on charitable activities usually take on one of these three structures: social organisations, foundations and private non-enterprise entities. Briefly, a social organisation is membership-driven, whereas foundations are not-for-profit organisations funded by assets donated for public welfare purposes and, lastly, private non-enterprise entities are social institutions established with private capital for the purpose of providing social services. Not-for-profit organisations in these three forms are prohibited from distributing financial returns to their members and sponsors. Further, for these three types of organisations, the key issues center on the legality of the source of funding as well as the use of funds.

As with Singapore and Hong Kong, these not-for-profit organisations in China are usually funded by donations and grants. Further, as these charitable structures do not have share capital, equity funding is not an option. As for debt funding, even where there is no explicit prohibition in the constitutional documents, they do not typically borrow as a matter of practice to fund their charitable activities. To understand this situation further, if these organisations attempted to be a Level 2 VPO "Non-Profit" Entity, the major impediment would be that in China, only banks and qualified financial institutions are able to extend loans. As such, if the Level 2 VPO wanted to extend a loan to a Level 3 SPO, it could only do so through the entrusted loan model where the Level 2 VPO provides funds to a financial institution that is qualified to conduct lending, and that financial institution would extend the loan to the Level 3 SPO as the lender.

**Japan**
Charities in Japan are broadly categorized as (a) non-profits, (b) associations (2 types) and (c) foundations (2 types), all of whom enjoy varying tax benefits on their charitable or authorised activities subject to compliance with applicable requirements. However, these entities are not permitted to distribute profits to their members and/or they are not permitted to return funds to their members or contributors. That said, the legal profile suggests that these entities are permitted to accept debt funding except that for non-profits, they cannot facilitate the profit of a particular person (in this case, it would presumably be the lender). Interestingly, only associations and foundations may accept equity funding although for foundations, equity funding can only be done at incorporation and not subsequently.

The analysis for Level 2 VPO "Non-Profit" Entities is relatively simple as it is generally accepted that charitable organisations in Japan are prohibited from distributing profits and the legal profile implies, by extension, that such charitable entities are not permitted to provide funds to Level 1 SPOs. Further, as with the other jurisdictions, the potential triggering of the Money Lending Business Act is such that it would not be practicable for charitable organisations to apply for the licenses in order to extend loans to the relevant Level SPOs. Further, the legal profile suggests that any return of funds (whether debt or otherwise) by the Level 2 VPO "Non-Profit" Entity would be fraught with obstacles which is understandable as the establishment of VPOs is still a relatively new development in Japan.

**India**
Various forms of social entrepreneurship models are used in India depending on their areas of operation and business requirements. Thus, social enterprises may opt for the revenue model, hybrid model or the venture capital model depending on the relevant financial viability and desired social outcomes. Interestingly, in India, a Level 1 SPO may be set up pursuant to Section 8 of the Companies Act (2013) as a not-for-profit company or pursuant to the Alternative Investment Fund Regulation (AIF Regulation) where an alternative investment fund (or a social venture fund) can be established or incorporated in India in the form of a trust, a company or a limited liability partnership.

However, these structures have inherent restrictions. For example, the aforementioned not-for-profit company is prohibited from distributing dividends to its shareholders. In comparison, the legal profile suggests that the aforementioned social venture fund may enjoy a "pass through" benefit under the relevant sections of the Income Tax Act such that income accruing to the social venture fund would be deductible in the hands of the investor. In comparing the various structures available to establish a VPO in the various countries, it appears that India's albeit nascent development in this area is probably gaining the most traction at this point in time.

**6. The Country Legal Framework Profiles (available for download)**
Five country profiles covering the legal frameworks for China, Hong Kong, India, Japan and Singapore are available for downloaded in PDF format. These were prepared on a pro bono basis by leading law firms based on a questionnaire designed by AVPN that addresses the key legal issues when establishing a VPO. The questionnaire uses the eco-system framework and terminology described above that is consistent with the main section of the AVPN report "Getting Started in Venture Philanthropy in Asia".

Each country profile is an overview and does not seek to address all the relevant legal, tax and regulatory issues in detail. New sponsors of a VPO should seek specific legal, tax and regulatory advice on the basis of their own circumstances before setting up their operating entity.

The reports are available for download from **www.avpn.asia/startVPO .**

Where amounts in the reports have been converted from local currency to US dollars at the exchange rates shown in each report. The amounts will change based on actual exchange rates and changes to the underlying costs, fees and charges.

# LEGAL FRAMEWORK PROFILE for JAPAN

**AVPN Report - "Getting Started in Venture Philanthropy in Asia"**

**Legal Framework Section**

**Japan Country Profile**

This briefing paper for Japan has been prepared for AVPN by Eiichi Kanda, Yusuke Abe and Kaya Ueda of Clifford Chance Tokyo office. For more information please contact eiichi.kanda@CliffordChance.com (+81 3 5561 6643), yusuke.abe@cliffordchance.com (+81 3 5561 6332), shunsuke.watanabe@cliffordchance.com (+81 3 5561 6405). Descriptions and references to tax are for reference only. Each recipient of this paper should seek their own independent tax and legal advice from their appointed advisors.

Definitions:

| Defined Terms | Definitions |
|---|---|
| AOI | Articles of Incorporation |
| Authorised NPO | Authorised Specified Non-profit Organisation under the NPO Act |
| (Type 1/2) FIBO | (Type 1/2) Financial Instruments Business Operator under the FIEA |
| Civil Code | Civil Code (Act No. 89 of 1896, as amended) |
| Companies Act | Companies Act (Act No. 86 of 2005, as amended) |
| FEFTA | Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) |
| FIEA | Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) |
| General Organisations Act | Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006, as amended) |
| GK | Godo Kaisha (limited liability company) |
| IMBO | Investment Management Business Operator under the FIEA |

| Defined Terms | Definitions |
|---|---|
| ISH | Ippan Shadan Hojin (general incorporated association) |
| IZH | Ippan Zaidan Hojin (general incorporated foundation) |
| KK | Kabushiki Kaisha (joint stock corporation) |
| KSH | Koeki Shadan Hojin (public interest incorporated association) |
| KZH | Koeki Zaidan Hojin (public interest incorporated foundation) |
| MLBA | Money Lending Business Act (Act No. 32 of 1983, as amended) |
| MLBL | Money Lending Business Licence under the MLBA |
| NK | Kumiai (partnership) under the Civil Code |
| NPO | Specified Non-profit Organisation under the NPO Act |
| NPOs | NPO, Authorised NPO and Provisional Authorised NPO |
| NPO Act | Act on Promotion of Specified Non-profit Activities (Act No. 7 of 1998, as amended) |
| Provisional Authorised NPO | Provisional Authorised Specified Non-profit Organisation under the NPO Act |
| Public Interest Organisations Act | Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (Act No. 49 of 2006, as amended) |
| QII | Qualified Institutional Investor (*tekikaku kikan toshika*) under the FIEA |

## 1. Country Scoping Questions

### 1.1. Do "Social Enterprises" exist as a legal entity in your country, as opposed to charities (or their equivalent, e.g., NGOs) and traditional commercial entities (e.g., companies and businesses)?

No. We understand that "Social Enterprises" are entities that have special tax status and are effectively a hybrid between a business entity and a charity. We understand that as a hybrid such an entity can provide a financial return to its investors while it enjoys tax benefits. There are no such types of entities in Japan.

### 1.2. Is the relevant legislation and regulation of SPOs at the national government (i.e., federal) level or are there substantial State or other lower-tier laws and regulations (including tax) that apply?

The relevant legislation and regulation of SPOs is at the national government level. In addition, there are local ordinances in relation to NPOs to the extent that the NPO Act delegates these matters to fall within the scope of such local ordinances.

## 2. Level One Questions

### 2.1. List in the following table the relevant entities/structures of SPOs that exist in your country:

| C<br>Relevant Charity Entities | SE<br>Relevant SE Entities [If applicable] | B<br>Relevant Commercial Entities |
|---|---|---|
| 1. NPOs | N/A | 1. KK |
| 2. ISH | | 2. GK |
| 3. KSH | | 3. NK |
| 4. IZH | | |
| 5. KZH | | |

**2.2. For each of the entities in 2.1 (or the most relevant if the list is extensive) please provide:**

**2.2.1. Brief description (definition) of the general legal nature of the entity/structure**

***<Charity Entities>***

(a) NPOs

An NPO is a charity entity incorporated pursuant to the NPO Act with certain tax benefits (i.e., no tax on its non-profit activities). Its purpose is limited to certain social action programmes listed in the NPO Act. In order to incorporate an NPO, authorisation by the relevant local government is required. An NPO cannot distribute profit to its members.

An NPO may become a Provisional Authorised NPO or an Authorised NPO if it satisfies the requirements under the NPO Act such as proper reporting to the authorities and appropriate organisation and activities. A Provisional Authorised NPO and an Authorised NPO can enjoy more tax benefits than an NPO (i.e., donations to a Provisional Authorised NPO and an Authorised NPO are tax deductible for the donor). An Authorised NPO may enjoy further tax benefits but it must satisfy the public support test in addition to the requirements for a Provisional Authorised NPO.

Provisional Authorised NPO status is only available to an NPO for up to five years from its incorporation.

(b) ISH

An ISH is a limited liability entity incorporated pursuant to the General Organisations Act. There are no restrictions on its purpose or activities, nor are there any authorisation requirements. Two or more members are required to establish an ISH. An ISH cannot distribute profit to its members. If an ISH satisfies certain requirements, it can enjoy certain tax benefits (i.e., no tax on its non-profit activities).

(c) IZH

An IZH is an entity incorporated pursuant to the General Organisations Act. Unlike an ISH, an IZH consists of property contributed by a contributor only and an IZH is not owned by any person (i.e., an IZH has no members). It cannot distribute profit or return funds to the contributor. There are no restrictions on its purpose or activities, nor

are there any authorisation requirements. If an IZH satisfies certain requirements, it can enjoy certain tax benefits (i.e., no tax on its non-profit activities).

(d) KSH and KZH

A KSH is an entity which is transformed from an ISH by satisfying the requirements under the Public Interest Organisations Act. Similarly, a KZH is an entity which is transformed from an IZH by satisfying the requirements under the Public Interest Organisations Act.

The purpose of a KSH and KZH is limited to certain social action programmes listed in the Public Interest Organisations Act. Authorisation by the relevant government or local government is required for the transformation.

Both a KSH and KZH can enjoy more tax benefits than an ISH and IZH (i.e., donations to a KSH and KZH are tax deductable for the donor).

***<Commercial Entities>***

(e) KK

A KK is a limited liability company incorporated pursuant to the Companies Act. A KK is the most common form of business entity in Japan.

A KK may distribute its profit to its shareholder(s) or buy back shares from its shareholder(s) subject to having distributable profit calculated pursuant to the Companies Act. There are no restrictions on its purpose or activities. Corporation tax is imposed on its profit, if any.

(f) GK

A GK is a limited liability company which may function internally as a partnership but externally as a company. A GK is also incorporated pursuant to the Companies Act.

The Companies Act allows the member(s) of a GK to design the internal decision-making process by its AOI. A single member can establish a GK with a paid-in capital of JPY 1. There is no restriction on its purpose or activities. Corporation tax is imposed on its profits, if any.

(g) NK

An NK is a partnership formed pursuant to the Civil Code. An NK is formed by a contractual agreement whereby the parties (NK partners) agree to contribute money, services or other valuables in order to achieve cooperative objectives. An NK must have at least two NK partners at all times. Unless a managing partner is appointed, an NK is managed by all the NK partners.

Unlike a KK or GK, an NK does not have a separate legal identity. All of the assets and liabilities of an NK jointly belong to each NK partner. Thus, the NK partners may owe unlimited liability.

On the other hand, no corporation tax is imposed at the NK level (i.e., it is a pass-through entity). Tax may be imposed at the NK partner level.

### 2.2.2. The main considerations when seeking to establish such an entity (e.g., time taken, regulatory approvals or filings needed, complexity of documentation, etc.)

***<Charity Entities>***

(a) NPOs

No fund is required to establish NPOs. There is no incorporation cost or capital fund requirement for NPOs.

On the other hand, there must be at least 10 members of NPOs. In addition, NPOs must have three or more directors (*riji*) and one or more administration officer(s) (*kanji*). NPOs cannot impose any restrictions on eligibility for their membership.

Authorisation by the relevant local government is required. The application and the relevant documents for the authorisation must be made public for two months. Such application procedure normally takes four months from receipt of the application and all other required documents by the authority. Documentation requirements are not straightforward.

In order to obtain authorisation to become a Provisional Authorised NPO or an Authorised NPO, requirements under the NPO Act must be satisfied. At least, one year must have passed since incorporation of the NPO in order to obtain authorisation. For an Authorised NPO only, the NPO must show that it is supported by the public (the "public support test") (e.g. revenue from donations is no less than 20% of its

total revenue) and it is understood that it is difficult to satisfy such public support test. Provisional Authorised NPO status was only introduced in April 2012. Thus, it is still unclear how stringent the authorisation procedure for a Provisional Authorised NPO is.

(b) ISH

Incorporation costs for an ISH are limited. The incorporation costs (including registration fee and notary fee) are around JPY 110,000 at least. An ISH is not required to have capital funds. An ISH consists of two or more members.

No authorisation is required for incorporation of an ISH and the procedure for the ISH's set up is relatively straightforward. The members can incorporate the ISH by preparing the AOI, notarising such AOI, appointing the director(s) and registering such entity at the relevant legal affairs bureau.

(c) IZH

The incorporation cost for an IZH is similar to an ISH. However, in addition to such incorporation cost, an IZH is required to have at least JPY 3,000,000 contributed by contributor(s).

The incorporation procedure for an IZH is similar to an ISH (i.e., preparing AOI, notarising the AOI, electing relevant officers and registering such entity at the relevant legal affairs bureau).

Although an IZH is not owned by any person (i.e., an IZH has no members), the following officers must be elected for proper administration and management of the IZH:

- three councillors;

- three directors (which form a board of directors); and

- three auditors.

(d) KSH and KZH

An ISH (or IZH) can be transformed into a KSH (or KZH), respectively, upon authorisation by the government or relevant local government. There is no specific fee for such transformation or authorisation.

Although the Public Interest Organisations Act does not provide for a timeline for such transformation, it would take at least a few months to obtain such authorisation.

Upon the authorisation, the KSH and KZH must amend their AOI and register such entity at the relevant legal affairs bureau because the ISH (or IZH) and KSH (or KZH) are different types of entities. For instance a KSH is required to have a board of directors (*riji kai*), representative director (*daihyo riji*) and auditors (*kanji*).

***<Commercial Entities>***

(e) KK

The total incorporation cost for a KK is around JPY 250,000 at least. Registration is required to incorporate a KK and the registration fee varies heavily depending on the amount of paid-in capital. The minimum paid-in capital is JPY 1 and the minimum registration fee is JPY 150,000.

A KK may have one promoter, director and shareholder and all of them may be the same individual. A director must be an individual and at least one director (if there is a representative director, the representative director) must be a resident of Japan. A KK is managed by a director or board of directors. If there is a board of directors, a representative director must be appointed and the representative director has statutory power to conduct daily business without approval from the board of directors.

The promoter(s) may incorporate a KK by preparing AOI, notarising the AOI, having shareholder(s) subscribe for shares, appointing director(s) and registering such entity at the relevant legal affairs bureau. An evaluation of the property may be required if the shareholder(s) contributes property other than cash.

(f) GK

The total incorporation cost of a GK is around JPY 110,000 at least. Registration is also required to incorporate a GK and the registration fee varies depending on the amount of paid-in capital. The minimum registration fee is JPY 60,000.

One member may incorporate a GK by preparing AOI, making a capital contribution, appointing managing member(s) and registering such entity at the relevant legal affairs bureau. No notarisation is required in respect of the AOI.

A GK may be managed by the managing member. If such managing member is not an individual, then an individual (managing director) must be appointed for operation of the GK. At least one managing member or director must be a resident of Japan.

(g) NK

An NK can be formed by a contractual agreement between NK partners only. Neither registration nor authorisation is required. There is no incorporation cost or capital fund requirement for an NK.

### 2.2.3. Main ongoing compliance requirements once established

***<Charity Entities>***

(a) NPOs

A general members' meeting must be held at least once a year. NPOs must submit to the competent authority certain documents (such as their business reports and financial statements) each fiscal year as required by the NPO Act. NPOs must also maintain such documents at the NPOs' head office for three months from the end of each fiscal year.

Each Provisional Authorised NPO and Authorised NPO must regularly submit reports to the local government pursuant to local ordinances and satisfy the conditions set by the authority when it obtains authorisation. The reporting requirements for each Provisional Authorised NPO and Authorised NPO are more stringent than for an NPO.

(b) ISH

A general members' meeting must be held at least once a year. A list of members must be maintained at the ISH's head office.

The minutes of the general members' meeting must be maintained at the head office for 10 years from the date of the meeting.

The financial statements must be prepared and approved by the general members' meeting. Once a resolution is passed at the general members' meeting, the financial statements must be made public.

(c) IZH

At an IZH, a chamber consisting of councillors is the decision-making body. A general chamber meeting must be held at least once a year.

An IZH is also required to have a board of directors (*riji-kai*) consisting of at least 3 directors (*riji*) and at least 1 auditor (*kanji*).

An IZH must prepare minutes of the chamber and the board meeting. The minutes of the general members' meeting must be maintained at the IZH's head office for 10 years from the date of the meeting.

The financial statements must be prepared and approved by the general chamber meeting. Once a resolution is passed at the general chamber meeting, the financial statements must be made public.

(d) KSH and KZH

In addition to the requirements applicable to an ISH and IZH, a KSH and KZH must maintain certain documents (such as business plans, budgets and financial statements) required by the relevant statute and submit the same to the relevant authority each fiscal year. A KSH and KZH must follow the requirements and conditions imposed by the relevant statute and authority at all times and the status of the KSH and KZH may be revoked in case of any breach.

***<Commercial Entities>***

(e) KK

A general meeting of shareholders must take place at least once a year. Fundamental matters of the KK require approval at a shareholders' meeting. Depending on various factors such as the size of the KK and restriction on the transfer of shares, the KK may be required to have a board of directors, accounting auditor, statutory auditor(s), board of statutory auditors and other organs. If the KK has a board of directors, at least four meetings must be held each year.

The registration needs to be updated if relevant matters in the AOI are amended. While directors hold their offices for a term of at least two years, directors have to be registered each time they are (re)appointed. Also, financial statements are required to be prepared each fiscal year and balance sheets are required to be published each fiscal year.

(f) GK

A GK is not required to hold members' meetings or publish financial statements. There is no statutory limit on the term of office of a managing member or director. Thus, no regular registration update is required.

(g) NK

There are no ongoing compliance requirements unless NK partners so agree in the partnership agreement.

### 2.2.4. Benefits/considerations for choosing such an SPO (including tax)

***<Charity Entities>***

(a) NPOs

No incorporation cost nor capital fund is required for NPOs. NPOs can enjoy tax benefits according to the type of NPOs. (Please see Paragraph 2.2.1(a)). In practice, it is easier for NPOs than commercial entities to obtain support from the public because there is a general perception that NPOs are charity entities.

On the other hand, authorisation is required for the establishment of NPOs and it takes time to establish NPOs. The purpose and activities of NPOs are limited to those listed in the NPO Act. As for a Provisional Authorised NPO and an Authorised NPO, it is more difficult to meet the requirements for authorisation. It also takes time for an NPO to be transformed into a Provisional Authorised NPO or an Authorised NPO.

(b) ISH

It is relatively straightforward and it does not take much time to establish an ISH. Its purpose and activities are not limited by the relevant statute. Although it is not necessarily a charity entity, it is understood that an ISH is commonly a non-business entity. Thus, it may be relatively easy to obtain support from the public. An ISH can also enjoy certain tax benefits if it satisfies the requirements under the tax law. It is possible to raise funds by receiving capital.

On the other hand, tax benefits for an ISH are limited. There is an incorporation cost. Unlike NPOs or KSH, an ISH is not regarded as a charity entity.

(c) IZH

The analysis of the ISH above basically applies to an IZH as well, although there are certain differences.

While an ISH is owned by its members, an IZH is not owned by any person and it consists of property only. Accordingly, certain parts of

its AOI cannot be changed by any person. Contributor's original intentions (e.g. to support a certain type of charity activity) will be respected.

On the other hand, at least JPY 3,000,000 must be contributed to incorporate an IZH and such amount must be maintained. Also, there is no way for an IZH to issue an equity instrument.

(d) KSH and KZH

It is relatively easy for a KSH and KZH to attract support from the public because of their nature as entities and the tax benefits for donors.

On the other hand, authorisation is required for the transformation of an ISH and IZH to a KSH and KZH, respectively. It takes time to obtain such authorisation and is not easy to meet the requirements. In addition, there are yearly reporting requirements (please see Paragraph 2.2.3(d)).

***<Commercial Entities>***

(e) KK

A KK can distribute its profit to shareholders. Because of its credibility, it is easier relatively speaking to raise funds through debt (i.e., bank loans).

On the other hand, the incorporation cost of a KK is slightly higher than for a GK. Corporation tax is imposed on its profit, if any. There are regular registration and disclosure requirements. Internal organisation or administrative requirements are relatively strict although the requirements have been significantly relaxed since amendments to provisions relating to KK in 2005.

(f) GK

A GK can distribute its profit to its members. Incorporation costs are slightly lower than for a KK because, unlike a KK, notarisation of the AOI is not required. A GK has more flexibility in terms of internal organisation and administrative requirements than a KK. There are no regular registration or disclosure requirements.

Unlike limited liability companies in certain jurisdictions, corporation tax is imposed on its profit. A GK was not a common business entity because it was only introduced by the Companies Act in 2005. A GK has become more common now and fund-raising through debt (i.e., bank loans) may become easier than it used to be.

(g) NK

No corporation tax is imposed at the NK level (i.e., the NK is a pass-through entity). Neither registration nor authorisation is required. There is no ongoing compliance requirement.

On the other hand, NK partners may owe unlimited liability. Also, because the NK does not have a separate legal personality, there are some administrative difficulties (e.g., it cannot have a bank account or register real property under the NK's name but it may under the NK partners' names).

**2.2.5. Can the entity accept funding in the form of (i) donations/grants, (ii) debt, and (iii) equity?**

<***Charity Entities***>

(a) NPOs

NPOs do not have "equity" or "capital". Thus, NPOs cannot accept funds in the form of equity. NPOs normally accept donations from members as "entrance fees" or "membership fees". Donors to a Provisional Authorised NPO and an Authorised NPO enjoy tax benefits in respect of (i) donations/grants. NPOs may accept funding in the form of (i) donations/grants and (ii) debt.

Under the NPO Act, NPOs cannot facilitate the profit of a specific person (whether a corporation or an individual). Therefore, NPOs cannot conduct their activities to facilitate investors' profit only in return for accepting funds. In this sense, there is a restriction on accepting funds.

(b) ISH and KSH

An ISH and KSH may accept funding in the form of (i) donations/grants, (ii) debt, and (iii) equity. Donors to an ISH cannot enjoy tax benefits in respect of (i) donations/grants but donors to a KSH may enjoy tax benefits.

(c) IZH and KZH

An IZH and KZH may accept funding in the form of (i) donations/grants, (ii) debt, and (iii) equity (by way of initial capital contribution) but cannot issue an equity instrument. Thus an IZH or KZH cannot raise funds in the form of equity after their incorporation.

Donors to an IZH cannot enjoy tax benefits in respect of (i) donations/grants but donors to a KZH may enjoy tax benefits.

<***Commercial Entities***>

(d) KK, GK and NK

A KK, GK and NK can accept funding in the form of (i) donations/grants, (ii) debt, and (iii) equity. A KK, GK and NK cannot enjoy tax benefits in respect of (i) donations/grants.

## 3. Level Two Questions

### 3.1. For the three VPO operating models please list the most relevant option choices for the entities:

| No Fund Entity "circle" or "club" [In this case an entity is only for the VPO consulting function] | VPO "non-profit" entity C SE Relevant SE and/or C Entities | VPO "commercial" entity B Relevant Commercial Entities |
|---|---|---|
| 1. ISH | 1. NPOs | 1. KK |
| 2. NPO | 2. ISH/KSH | 2. GK |
| | 3. IZH/KZH | 3. NK |

### 3.2. Outline the benefits or considerations for each option as a choice for a VPO

Please see Paragraph 2.2.4 for the general benefits and considerations for each of the entities.

***<No Fund Entities>***

If an entity is a No Fund Entity and exists only to fulfil a consulting function, tax benefits or profit distribution would not become important factors to be taken into account when choosing a vehicle for the VPO. Consequently, a vehicle shall be chosen considering other factors such as the ease of the incorporation process and public profile of the entity. In general, these two factors are inversely related to each other, namely, the easier the incorporation is, the lower the public profile of the entity

becomes. In addition, ongoing compliance requirements can be factors to be taken into account.

The order of incorporation of the entities from the easiest is (i) NK, (ii) GK, (iii) ISH, (iv) KK, (v) IZH, (vi) NPO, (vii) Provisional Authorised NPO, (viii) Authorised NPO, (ix) KSH and (x) KZH (please see Paragraph 2 for more details). Due to the unlimited liability of NK partners, it may be difficult to choose an NK. Given that a GK and KK are business entities, it may not be appropriate to choose such entities as No Fund Entities. Also, because the authorisation process is fairly difficult and time-consuming, a Provisional Authorised NPO, an Authorised NPO, KSH and KZH may not be a practical choice if the VPO is to perform only a consulting function. Since an IZH does not have any members, it may not be an appropriate vehicle for the consulting function.

Therefore, an ISH and NPO may be the most practical choices for a No Fund Entity.

***<Charity Entities>***

Our analysis focuses on the (i) ability to provide financial returns to stakeholders and (ii) the ability to provide funds to an SPO (with regard to general benefits and considerations, please see Paragraph 2.2.4). However, with respect to (i), the Charity Entities listed above, by their nature, are non-profit organisations and therefore prohibited from distributing profit. Consequently, our analysis is limited only to the return of the money contributed by the donor or funder to the VPO for (i).

(a) NPOs

Capital contributions are not required to become a member of NPOs. It is common to pay a certain amount of money as an "entrance fee" or "membership fee" when becoming a member. These monies are often treated as donations. Thus, NPOs are not legally obliged to return the money paid by their members. There are no statutes or regulations which prohibit the return of money by NPOs. NPOs may be able to return money to their members by way of a donation although such donation may be restricted by the requirement of a public purpose.

In order for any entity (including any NPOs) to lend money to a Japanese SPO, the entity is required to obtain an MLBL. The requirements for obtaining an MLBL and its ongoing compliance requirements are stringent (such as human resources, internal rules and reporting requirements). The threshold requirements for a licence regarding the net assets may be reduced from JPY 50,000,000 to JPY 5,000,000 (the "**Reduced Threshold**") if the entity meets certain requirements under the MLBL (e.g., the lender is a non-profit organisation and the purpose of at least 50% of its loans falls within the

activities listed in the NPO Act). NPOs are likely to meet the requirements for the Reduced Threshold. In any event, it may not be practicable for NPOs to obtain MLBLs and make loans to an SPO.

NPOs may acquire equity in an SPO so long as such activity falls within the NPO's purpose (as to the financial regulations, please see Paragraph 3.2.2).

NPOs may provide funds to an SPO in the form of a donation/grant.

(b) ISH/KSH

Similar to NPOs, a capital contribution is not a requirement to become a member of an ISH or KSH. However, an ISH and KSH may accept funds in the form of a "fund" (*kikin*) which is equity under the General Organisations Act. If the funders contribute their money through the "fund", the money can later be returned to the funders.

It is possible for an ISH/KSH to obtain an MLBL and to enjoy the Reduced Threshold. However, it may not be practicable for an ISH/KSH to obtain an MLBL and make loans to an SPO.

An ISH/KSH may acquire equity in an SPO so long as (in the case of a KSH) such activity falls within its purpose (as to the financial regulations, please see Paragraph 3.2.2).

An ISH/KSH may provide funds to an SPO in the form of a donation/grant.

(c) IZH/KZH

As discussed in Paragraph 2.2.1, the funds contributed to an IZH/KZH cannot be returned to the contributors.

It is possible for an IZH/KZH to obtain an MLBL and to enjoy the Reduced Threshold. However, like other Charity Entities, it may not be practicable for an IZH/KZH to obtain an MLBL and make loans to an SPO.

An IZH/KZH may acquire equity in an SPO so long as (in the case of a KZH) such activity falls within its purpose (as to the financial regulations, please see Paragraph 3.2.2).

An IZH/KZH may also provide funds to an SPO in the form of a donation/grant.

***<Commercial Entities>***

In relation to commercial entities, please see our response in Paragraphs 2.2.4, 3.2.1 and 3.2.2.

A KK, GK and NK must have an MLBL to make a loan to a Japanese SPO. Because a KK, GK and NK are business entities, they cannot satisfy the requirements for the Reduced Threshold. It is also not straightforward to obtain an MLBL due to the stringent requirements.

There is no restriction in acquiring equity in an SPO (as to the financial regulations, please see Paragraph 3.2.2).

**Specifically for each VPO business model and entity:**

**3.2.1. Can the entity distribute financial returns to its stakeholders in the form of grant/donation refunds, debt principal repayment and interest payments, equity dividends and buy-backs?**

***<Charity Entities>***

In relation to charity entities, please see our response in Paragraph 3.2 above.

***<Commercial Entities>***

All three entities (KK, GK and NK) can distribute financial returns to their respective stakeholders in the form of grant/donation refunds, debt principal repayment and interest payments, equity dividends and buy-backs. However there are some restrictions as follows:

(a) Restrictions on the source of financial returns

With regard to a KK and GK, the source of the financial returns in the form of equity dividends and buy-backs must be limited to their distributable profits as calculated pursuant to the Companies Act. Other forms of returns are not specifically restricted.

(b) Licence under the MLBA

As discussed above, any person must have an MLBL in order to make a loan to a Japanese entity. Because a VPO is a Japanese entity, any shareholder/member/NK partner is required to obtain an MLBL in order to make a loan to the VPO. The requirements for an MLBL are

stringent and thus it may not be practical to raise funds through loans by its shareholders/members/NK partners other than bank loans.

**3.2.2. If a commercial entity is used, do financial regulatory restrictions apply (e.g., for fund-raising or fund management)? How can these be avoided? (e.g., private entity, limited solicitation)**

The answer to this question varies depending on the type of commercial entity. Because securities regulations are complicated, specific advice must be sought from legal counsel prior to the actual transaction.

(a) KK

Fund-raising through KK's equity would be seen as marketing shares of KK in Japan. It would trigger the licence requirement and the disclosure requirement under the FIEA.

In relation to the licence requirement, the KK is required to have a Type 1 FIBO licence to conduct marketing in respect of shares in the KK. However, if marketing is carried out by the issuer only (i.e., its officers and employees), the Type 1 FIBO licence is not required.

In addition, in order for a KK to engage in investment in securities (such as shares, bonds and interests in a GK and NK), the KK is required to have an IMBO licence under the FIEA. It is unlikely that an exemption is applicable to a KK. It is not realistic for a KK to obtain an IMBO licence because the requirements for such licence are onerous. Thus, a KK must not invest in securities unless such investment is nominal.

In relation to the disclosure requirement, in principle, onerous disclosure documentation (i.e., a securities registration statement) is required to offer KK shares unless one of the exemptions applies. There are two types of applicable exemptions: the QII Private Placement (the "**QII Private Placement**") and the Small Number Private Placement (the "**Small Number Private Placement**"). In order to make the QII Private Placement, it is required that, among other things, offerees are QIIs only. In order to make the Small Number Private Placement, it is required that, among other things, the number of offerees resident in Japan does not exceed 49. Specific selling restriction language is in general another requirement for both the QII Private Placement and the Small Number Private Placement.

(b) GK

Fund-raising through the GK's equity would be seen as marketing of the equity interests of GK in Japan. It would also trigger the licence requirement and disclosure requirement under the FIEA.

In relation to the licence requirement, the GK is required to have a Type 2 FIBO licence to conduct marketing in respect of equity interests in the GK. This requirement can be avoided by relying on the Foreign Marketing Entity Exemption (the "**Foreign Marketing Entity Exemption**"). However, the Foreign Marketing Entity Exemption is unlikely to apply because such exemption applies when a foreign licensed broker/dealers conducts marketing from outside Japan.

It is not realistic for GK to obtain a Type 2 FIBO licence because the requirements for such licence are onerous. Thus, GK must appoint a Type 2 FIBO to conduct marketing of the equity interests of the GK in Japan.

In addition, similar to a KK, a GK must not engage in investment in securities unless such investment is nominal because of the IMBO licence requirement.

In relation to the disclosure requirement, in principle, onerous disclosure documentation is also required to offer GK interests unless an exemption applies. If certain conditions are met, the Private Placement Exemption (the "**Private Placement Exemption**") may apply. One of the conditions is that the number of investors who have subscribed for GK interests (as opposed to the number of investors who have been offered GK interests) must be 499 or less. The investors can be non-QII. Although strict selling restrictions are not set out, the seller of such GK interests must notify the purchaser that, among other things, the exemption is applicable and thus no proper disclosure has been made.

(c) NK

Fund-raising through NK's equity would be seen as marketing interests in the NK in Japan. Again, it would trigger the licence requirement and disclosure requirement under the FIEA.

In relation to the licence requirement, it is necessary to have a Type 2 FIBO licence to conduct marketing in respect of NK equity interests. This requirement can be avoided mainly by relying on two exemptions: (i) the Foreign Marketing Entity Exemption and (ii) the

QII Exemption for Private Placement (the "**QII Exemption for Private Placement**"). As discussed in (b) above, the Foreign Marketing Entity Exemption is unlikely to apply. The QII Exemption for Private Placement may however apply to the present case. The main requirements for this exemption are that (a) investors who have subscribed for the NK interests consist of (i) at least one QII and (ii) 49 or less non-QIIs, (b) specific selling restrictions are built into the NK partnership agreement and (c) submission of certain notification to the authorities prior to commencement of the solicitation. This exemption only applies to the general partner of the NK (i.e., the NK partner(s) which conducts the NK's business). Other partners or any third parties may not rely on the QII Exemption for Private Placement. Unless one of the exemptions applies, the NK must appoint a Type 2 FIBO to conduct marketing of the equity interests in the NK in Japan.

In addition, in order for the general partner of the NK to engage in investment in securities for the NK, such general partner is required to have an IMBO licence under the FIEA. There are several exemptions that can be relied upon to avoid this licence requirement. One of the exemptions, the QII Exemption for Investment Management, may apply to the present case. The main requirements for this exemption are that (a) investors having subscribed for the NK interests consist of (i) at least one QII and (ii) 49 or less non-QIIs and (b) the submission of certain notification to the authorities prior to commencement of the management of the fund. Please note that this exemption applies to general partners only. Other partners or any third parties may not rely on the QII Exemption for Investment Management.

The disclosure requirement for NK interests is similar to that for GK interests. In principle, onerous disclosure documentation is required to offer NK interests unless an exemption applies. If certain conditions are met, the Private Placement Exemption may apply (Please see (b) above). If the QII Exemption for Private Placement applies in relation to the licence requirement, the Private Placement Exemption automatically applies as well because the requirements for the QII Exemption for Private Placement contain all the requirements for the Private Placement Exemption.

## 4. Level Three Questions

These questions relate mainly to the cross-border implications of fund-raising by the VPO.

**4.1. Considering the three VPO business models and entities listed in 3.1 above:**

**4.1.1. Are there any restrictions on fund-raising from onshore funders (as grants/donations, equity or debt)? If so, describe the key restrictions if not already covered in 2.2.**

All material matters were covered in Paragraph 2.2.

**4.1.2. Are there any restrictions on fund-raising from offshore funders (e.g., foreign ownership laws, foreign exchange control, different tax treatment, withholdings)?**

(i) FEFTA Approval

If a Japanese VPO intends to raise funds by way of a loan from certain non-residents subject to economic sanctions by the Security Council such as certain non-residents in Iraq and North Korea, it may be required to obtain approval from the Minister of Finance under the FEFTA. It is unlikely that such approval will be required because it is not expected that loans will be made by such sanctioned non-residents.

(ii) FEFTA Notification Requirements

If a Japanese VPO conducts business relating to national security, public order or the protection of public security, under the FEFTA, such VPO may be required to notify the Minister of Finance of certain allocations of shares to offshore person(s) and borrowings from offshore person(s) and wait until the Minister of Finance has completed its review and approved such allocation of shares or borrowings. In addition, if such Japanese VPO receives funds from countries with which Japan does not enter into any treaties or agreements ("**Restricted Countries**"), it may be required to give similar prior notice to the Minister of Finance. It is unlikely that such notification will be required because it is not envisaged that the Japanese VPO will conduct such type of businesses or receive funds from Restricted Countries.

(iii) Restrictions under Other Statutes

There are certain restrictions on foreign investment in certain categories of business such as the mining business, telecom business, broadcasting business, water transportation business and air transportation business under the Mining Act, the Nippon Telegraph and Telephone Corporation Act, the Radio Act, the Broadcast Act, the Ships Act and the Civil Aeronautics Act, respectively. However, it is

very unlikely that these restrictions are applicable because it is not envisaged that the Japanese VPO will conduct such type of businesses.

### 4.1.3. Are there any foreign control or sponsor/promoter issues for the entities (e.g., limit on foreign directors or trustees)?

There are no material foreign control or sponsor issues for entities other than the issues mentioned above. In a GK or KK, at least one director must be a resident of Japan.

avpn

The Asian Venture Philanthropy Network (AVPN) is building a vibrant and high impact venture philanthropy community across the Asia Pacific region. AVPN has more than 160 members of AVPN from 27 countries and has a Member Directory and listing of Events at www.avpn.asia .

We promote venture philanthropy in the broader philanthropic and social investment communities and provide specific networking and learning services to meet the needs of our members.

AVPN is a non-profit organisation based in Singapore with membership across the Asian region. We are supported by grant funding, sponsors and partner organisations.

We are building a cross-sector network bringing together organisations and individuals from finance, business and the social sector. Our members include venture philanthropy organisations (practicing members) and associates that bring different networks, expertise and experience.

Associate Members include private equity managers, private banks, wealth managers, other financial services organisations, professional service firms, family businesses, corporations through their CSR activities, foundations, universities and government related entities.

We are the hub for news and events focused on venture philanthropy to develop shared learning and best practices. Soon through our new Knowledge Centre we will develop practitioner oriented resources to help scale the practice of venture philanthropy across Asia.

Please visit www.avpn.asia to learn more and contact us at info [at] avpn.asia if you have specific enquiries.

We encourage you to engage with us and support our field building activities through sponsorship, grants, donations, or joining as a member or partner organisation.

Download the "Getting Started in Venture Philanthropy in Asia" guide and legal framework country profiles from **www.avpn.asia/startVPO**

Asian Venture Philanthropy Network Limited
Registration No : UEN201016116M
33a Circular Road
Singapore 049389

www.avpn.asia