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Philanthropic structuring: The Asian context

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Philanthropic Structuring:
The Asian Context
Paving the Way to Strategised,
Sustainable and Impactful Giving



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EXECUTIVE SUMMARY

Asian philanthropy has tremendous potential for growth. Even as the population of ultra-rich individuals in Asia continues to expand, studies indicate that Asian philanthropists have the capacity to give a lot more. The key to tapping into the massive potential for Asian giving and catalysing sustainable and impactful philanthropy in Asia, is to understand the Asian way of giving and embrace strategic institutional and industry innovation.

Our paper proposes three strategic directions to expand access to philanthropy: encouraging giving beyond one's home and religious causes; encouraging everyone to give regardless of the size of the gift; and encouraging formal giving.

Strong support from governments and industry is crucial to helping Asian philanthropy reach its potential. Various technological and legal developments have been proven to successfully catalyse and support giving, while online charity platforms and crowdfunding have greatly improved the range and impact of charitable campaigns, and legal structures such as donor-advised funds facilitate effective giving while minimising administrative costs. Crucially, such measures lower the barriers to giving and make it more accessible to the average person. The dream is to achieve democratised philanthropy, where everyone—and not just the ultra-rich—is motivated and enabled to give.

The question that remains to be answered is that if Asians are more prone to giving and large Asian benefactors have long existed, is there a platform and structure which is able to cater to their needs for cross jurisdictional giving? Further, where can these structures reside and can the digital revolution assist in facilitating this noble intention?

A. INTRODUCTION

Asia is home to an expanding population of ultra-rich individuals. Its billionaire population is projected to grow by 27% between 2018 and 2023, outpacing Europe and North America.¹ Asia's population of high-net-worth individuals (people with net assets of US\$30 million or more) is set to surge as well.² But as the rich are getting richer, are they giving more? The 2018 "Doing Good Index" by the Centre for Asian Philanthropy and Society (CAPS) suggests that Asian philanthropists are giving far below their actual capacity.³ Kevin O'Connell, commenting on the CAPS report, estimates that Asian philanthropists can give "around 11 times more than they are currently".⁴ The CAPS report concludes, with a note of optimism, that Asia can get "on par" with the West, if Asian governments can create the right regulatory, institutional, social and cultural environment for giving. This, in their words, is the "magic recipe" for philanthropy in Asia.⁵

It is hard to disagree with the CAPS report that Asians can give more. But how much Asian philanthropists are currently giving needs to be re-examined. O'Connell bases his estimation of how much Asian giving there is and Asia's actual giving capacity on the Official Development Assistance figures reported in the CAPS report.⁶ Whilst this may be a method of estimating philanthropic activities in developed Western economies, its utility in the Asian context is greatly limited. In fact, an accurate estimation of total giving in Asia is presently an impossible task because of the scarcity of primary data. Data on formal giving is captured by taxation figures; and data on informal giving relies on estimations based on surveys, which usually have wide margins of error.⁷ Many studies say that Asian giving is

generally under-reported as it often takes place informally. In "Innovation in Asian Philanthropy" (2013), the authors point out that an estimation of formal and informal giving cannot be made with great confidence even in a relatively well-regulated and developed economy,⁸ such as Singapore or Malaysia.

In any event, it is not merely a matter of maximising Asia's potential for giving. The fact is, the need for more giving in Asia is dire: the World Bank's 2018 Report reveals that Asia is home to nearly half of the world's poorest people,⁹ whilst at the same time, ironically, it is home to the world's fastest growing ultra high net-worth community. Alarming, the poverty situation in Asia is likely to worsen. The World Bank has warned that the recent coronavirus pandemic outbreak could potentially plunge millions in the region into poverty. Governments and industry must work together to enable enthusiastic Asian philanthropists to become a force for change at home and abroad.

To catalyse sustainable and impactful philanthropy in Asia, we need to understand the Asian way of giving and embrace strategic institutional and industry innovation. The dream is to achieve "democratised philanthropy", where everyone—and not just the ultra-rich—is motivated and enabled to give. As mentioned earlier, this paper proposes three strategic directions to expand access to philanthropy so as to ensure sustainable and impactful giving: encouraging giving beyond one's home and religious causes; encouraging everyone to give; and encouraging formal giving. This might be the magic to the recipe to create a sustainable and structured philanthropic future for Asia.



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

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

Rich are getting richer, but are they giving more?

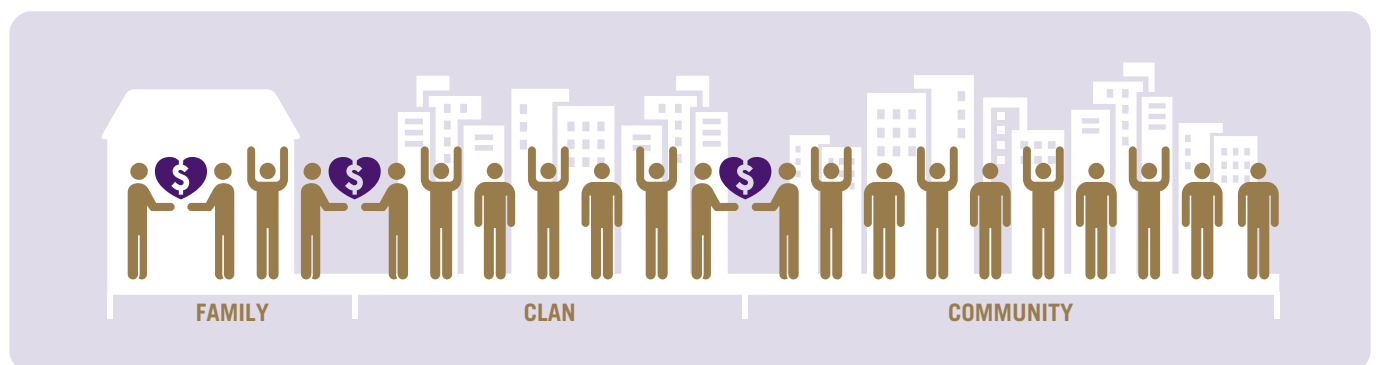
B. GIVING THE TRADITIONAL ASIAN WAY: “CHARITY BEGINS AT HOME”

The proverb “charity begins at home” is especially apt to describe the traditional Asian way of giving. There are three ways in which Asian giving is closely associated with the notion of “home”. First, true to the original meaning of the proverb which advises caring for one’s family before strangers, giving in Asia tends to be local, instead of regional.

A recent study on “The State of Philanthropy in South East Asia” by the Swiss Bank UBS and the INSEAD business school found that in Asia, giving generally starts with the family, then the clan and then the local community.¹⁰ Indeed, historically, local philanthropy was made through the ethnic Chinese clans established in different Asian countries. In 19th century Singapore, Chinese immigrants from Fujian Province formed clan associations (known as “*huay guans*”) based on geographical origins and kinship ties. These *huay guans* provided accommodation, helped find employment, started schools, managed cemeteries and gave financial support to less-privileged fellow clansmen.¹¹ In Hong Kong, Chinese clan-based associations, known as *kaifong*, built the Man Mo Temple

and the Tung Wah Hospital to fill the void in education and healthcare left by the British colonial government.¹² Today, many clan associations are still actively contributing to the community. For example, the Singapore Hokkien Huay Kuan continues to award scholarships, bursaries and training awards annually.¹³

Whilst clan-based giving helps to bond and support kinsmen overseas, modern day Asian philanthropists based in their home countries are committed to giving to their local communities or national causes. Among China’s top 100 donors, 57.2% of their total donations were made within the same provincial level jurisdiction as the donor’s corporate headquarters.¹⁴ A separate study by the Asian Centre for Social Entrepreneurship & Philanthropy found that foundations in developing Asian economies such as China and Myanmar tend to give nationally.¹⁵ Foundations in developed Asian economies such as Singapore and Hong Kong give both regionally and nationally.¹⁶ Cultural studies explain the trend of privileging one’s family, clan and community as being due to the importance of collectivistic values.¹⁷



In a similar vein, by reason of collectivistic values and common identity, Asian giving is also driven by religion. In Malaysia, Islamic donations such as *zakat*, *waqf* and *sadaqah* have steadily increased over the past thirty years.¹⁸ One notable Islamic charitable vehicle is the Labuan International *Waqf* Foundation — an Islamic private foundation which holds and manages properties for beneficiaries based on the Shariah principles on

waqf, while it adopts the legal form of a private foundation.¹⁹ It is however, in structured vehicles such as the Labuan *waqf* foundation, which incorporates good corporate governance and checks and balances, where we believe the future of Asian giving resides. In Indonesia, almost all Muslims fulfil their *zakat* duties annually.²⁰

Buddhism, another major religion in Asia, is also a key driver of Asian giving. In Myanmar, Buddhist values such as *parahita*, the giving of welfare benefits to others, reinforces a strong culture of giving.²¹ A recent survey finding shows that an impressive 90% of Myanmar's population had donated money in the month the survey was taken.²² Similarly, in Taiwan, about 54% of all donors have given money to religious organisations. In fact, the most prominent religious NGO in the entire Chinese world, the Buddhist Compassion Relief Tzu Chi Foundation, is based in Taiwan.²³ It has been active in philanthropic endeavours such as charity, medical help, education, cultural services, bone marrow donation, environmental protection, and community work.²⁴



Second, the concept of “home” connotes a private and personal space, which aptly describes the traditional attitude towards philanthropy in Asia. Interviews with Malaysia's top philanthropists reveal that philanthropy is treated as a private affair in Malaysia.²⁵ Giving is conducted away from the public gaze and without the Western style of fanfare, to avoid criticisms of insincerity and ostentation,²⁶ as well as to avoid becoming targets of unwanted negative attention.²⁷ Importantly, there is a strong belief in Islam that charitable giving is an obligation between the individual and God, with many holding the view that where and how one gives should remain confidential within that relationship.²⁸

The lack of Zuckerberg style charity announcement notwithstanding, Mr. Bernard Fung, Asia Pacific Head of Family Offices and Philanthropy, Credit Suisse, confirms that Asian giving is no less substantial than its Western counterparts.²⁹ The cultural bias for quiet giving nevertheless contributes to the informality and underreporting of Asian giving, which both limits the impact of giving and the accuracy of any study on Asian giving.³⁰

Third, the giving spirit is taught at home in Asia. Many Asian philanthropic foundations are established by wealthy families, with family members retaining significant control. Singapore's Lien Foundation, Hong Kong's Li Ka Shing Foundation, China's Jack Ma Foundation, Malaysia's Budimas Charitable Foundation and Philippines' Ayala Foundation are some examples. The philanthropic objectives of these foundations often reflect the personal values and experience of their founders. As control changes hands from one generation to the next, these family-established foundations operate as a means of teaching social responsibility and charitable values to the young.³¹

In addition, unlike philanthropy in North America and Europe, much of Asian giving is not primarily tax-driven. In a survey conducted by Credit Suisse and Campden research, 95% of the respondents said that their main objective for giving is to deliver social impact.³² Asian philanthropists genuinely desire to create a better world. It is here where structures, such as private client foundations (for example, the Labuan IBFC's foundations), are particularly effective. Not only do they facilitate structured and transparent giving, these foundations can cater to both private client needs whilst explicitly creating a mandate for the council to steer all giving based on the wishes of the founder. Hence, the use of Labuan private foundations has continued to gain interest from Asian wealthy families with close to 300 foundations set up in the last decade since this solution has been in existence.

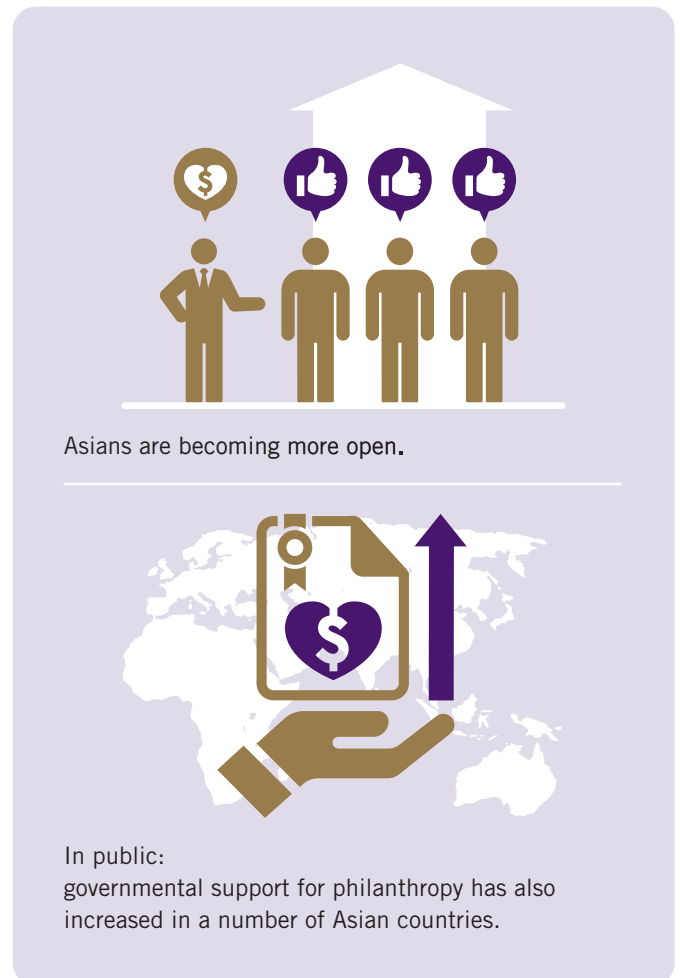
C. TRADITIONAL ASIAN APPROACHES TO GIVING ARE CHANGING

Significantly, changes in the Asian culture of philanthropy, driven by corporations and individuals, are beginning to take place in Asia.

1. CHANGING MINDSETS IN ASIA

First, mindsets towards giving are changing in Asia. In the private domain, more and more philanthropy titans are becoming open about their giving. They are also going beyond simple and passive forms of giving. Hong Kong billionaire Li Ka-Shing retired in 2018 to focus on his charitable foundation, which he affectionately calls his “third son”.³³ Four months later, Jack Ma, one of China’s richest men and co-founder of e-commerce behemoth, Alibaba, also announced his plan to retire to pursue philanthropy in an area close to his heart – education.³⁴ In 2010, Chen Guanbiao, a Jiangsu Province recycling-company owner took the Gates-Buffett pledge to give away his USD 440 million fortune when he dies.³⁵ Such a trend of increasing transparency is positive, and will only encourage others to follow suit.

Within the public realm, governmental support for philanthropy has also increased in a number of Asian countries. Since the outpouring of support for victims of the Sichuan earthquake in 2008, the Chinese Government takes a more accommodating attitude towards private philanthropy.³⁶ It offers corporations a tax break of up to 12 percent for charitable gifts; and a tax deduction of up to 30 percent for individuals.³⁷ Further, China’s 2016 Charity Law provides enhanced regulatory support for the creation and operation of charitable trusts.³⁸ In India, a major reform in the Indian Companies Act in 2013 requires qualifying corporations to allocate two percent of their net profits to Corporate Social Responsibility activities.³⁹ Whilst the introduction of tax breaks and gentle tweaks in the regulatory framework indicates increasing governmental support for philanthropy in individual countries, as mentioned above, Asian giving is not primarily tax-driven. More can be done: it is time to think about philanthropic innovation and regionalisation.

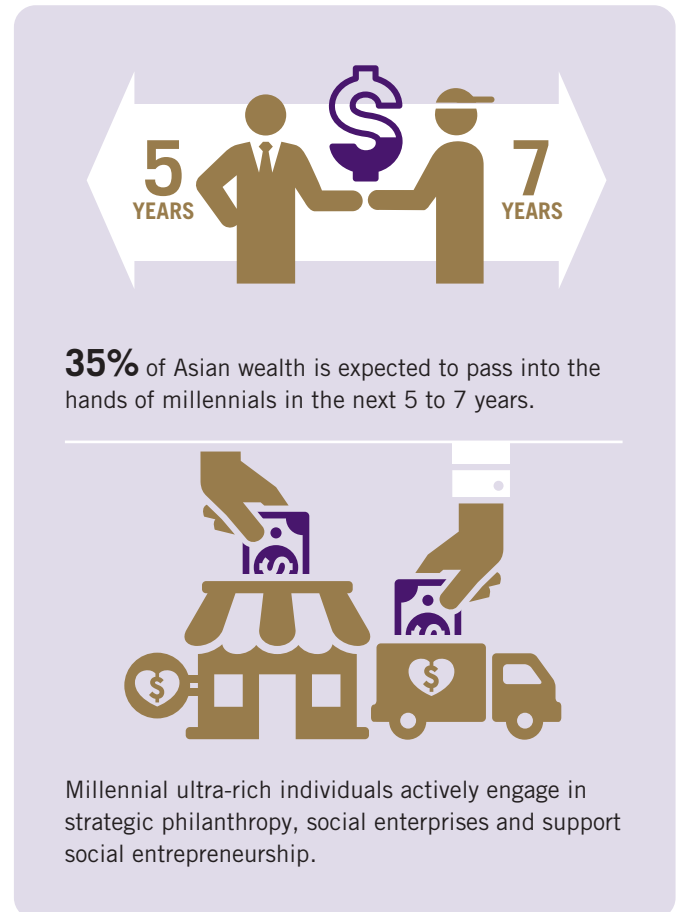


2. THE RISE OF THE YOUNG ULTRA-RICH: AN AMBITION FOR TRANSFORMATION

Secondly, the young ultra-rich are rising to power. 35% of Asian wealth is expected to pass into the hands of millennials in the next 5 to 7 years.⁴⁰ Whilst the previous generations focused on survival and making money, Hong Kong philanthropist and founder of SOW (Asia) Foundation, Darius Yuen observes that the next generation has a “more pronounced set of values” for “helping others, sharing the world together and living together”.⁴¹

Indeed, millennial ultra-rich individuals are actively engaged in strategic philanthropy, social enterprises and supporting social entrepreneurship.⁴² They are well-educated, business-savvy, and more conscious of pressing social issues. Laurence Lien, Chair of the Singapore Lien Foundation, says that the young ultra-rich want to do more than the chequebook style of giving.⁴³ Laurence co-founded the Asian Philanthropy Circle in 2015, a membership platform for Asian philanthropists to grow the impact of their philanthropy through collaboration. The Asian Philanthropy Circle has run several cross-border philanthropic projects. One notable project is the 1000 Days Fund, which pools funding from members in Singapore and Indonesia to address the issue of stunting and malnutrition in Indonesia.⁴⁴ Another example is the Global School Leaders programme, which provides leadership training to headmasters and teachers in Malaysia.⁴⁵ Chung Kyung Sun, the next generation member of the *chaebol* that runs Hyundai, started Root Impact, a non-profit organisation for capacity building in social innovation. Since 2015, Root Impact has been running Impact Basecamp for young change-makers to equip them with information and training to join the social sector.⁴⁶

With the millennials taking over the reins, the Asian philanthropy landscape is set to change.⁴⁷ These young and ambitious ultra-rich individuals are imagineering a dynamic philanthropic ecosystem for Asia, which crosses borders seamlessly, in order to result in maximum benefit, which is what result-orientated millennials long to achieve.



3. TECHNOLOGY-ENABLED PHILANTHROPY

Finally, technology is becoming a powerful philanthropy enabler in Asia as it is seen as a platform through which cross-border structured giving is facilitated. In China, the Tencent Charity Foundation made an innovative adaptation of traditional charitable giving for the smartphone age with impressive results to show. Tencent Charity, Tencent's mobile and desktop donation site, enabled 6.8 million of its users to donate 300 million yuan on Tencent's annual charity day, "99 Charity Day" in 2016. Tencent's online charity platform allows users to make donations of less than \$1, through its e-payment system, to one of the more than 24,000 causes in China and receive updates on the recipients' progress.⁴⁸

Importantly, philanthropic activities should now focus on sustainable giving, instead of only charitable giving. In Asia where there is a marked disparity between the rich and those who are less well-off, philanthropy could be one of the ways to encourage financial inclusion. Labuan IBFC, being a wholesale innovative intermediation centre, provides various technology-enabled structures via the concept of a "digital wrapper" with a dedicated focus on encouraging financial inclusion through its digital/Distributed Ledger Technology (DLT) technology and structures or licences.

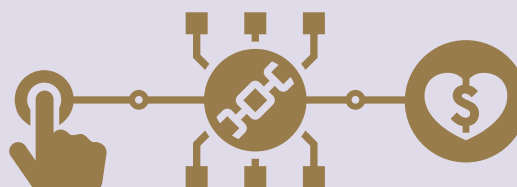
Beyond increasing the ease of donation, technology also enables operational transparency and better governance within charitable and non-profit organisations. In the past, the informational relationship between the donor and the recipient charity was brief or nearly non-existent. The donor might know little about the charity's operations and how his/her donations were spent. Today, non-profit organisations can use customer relationship management (CRM) software to update donors regularly on the actual impact of their giving.⁴⁹ Technology can also give charities greater visibility into their own operations and allow them to track how donations are used.

Significantly, technology is resolving operational difficulties in the philanthropic space. During the Syrian refugee crisis, many of the displaced individuals were stateless and lacking proper documentation. This created a problem for them when in transit and on reaching any future destination countries. By using blockchain technology, non-profits could create federated layers of identity and digitise records for the refugees. This gave refugees the ability to export everything from their credit rating to their health data in an accessible manner, and helped

immigration authorities in safe third countries vet applicants more efficiently.⁵⁰

Fresh and open mindsets, a new generation of philanthropists in the second and third generations and new modes of carrying out philanthropy via digital solutions are expected to unleash a massive transformative force within the Asian philanthropic space. More than ever, Asia is ready for big changes and the confluence of factors will undoubtedly facilitate this transformation.

Government and industry should harness the energy and momentum by playing a greater role in growing sustainable Asian philanthropy. They need to think big and out of the box, and they must act fast. We lay out below a possible roadmap for change via three strategic directions and concrete steps that can be readily taken to bring the vision into reality.



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



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

D. GREATER ACCESS TO PHILANTHROPY

1. ENCOURAGING CHARITY BEYOND THE “HOME”

First, charity should go beyond the “home”. Giving should be strategically targeted at meeting the genuine needs and resolving pressing social issues in the region. Whilst Asian wealth is growing exponentially, not all philanthropic projects are well supported. Various charity homes in Malaysia are recently reported to be struggling due to declining financial support. In fact, the owner of Kirtarsh Home for Children with Disabilities in Selangor lamented that some Malaysian companies had declined to help, preferring to “look for charities nearer to them”.⁵¹

To scale the impact of their giving, Asian philanthropists should learn to give beyond their immediate community, country and religious causes. After all, the concept of philanthropy is inherently egalitarian. Suffering is the same everywhere, regardless of race or religion. In Thomas Paine’s words: “My country is the world, and my religion is to do good.”

Beyond changing the mindset towards giving, there is also an urgent need for Asian governments to lay out a clear policy framework for cross-border philanthropy. Presently, sending cross-border donations in Asia, in particular South Asia and South East Asia, is severely restricted by legislation promulgated to address concerns of illicit financial flows or limiting the influence of foreign donors.⁵²

As social issues in Asia are becoming increasingly regionalised and interlinked, fragmented and uncoordinated responses are

neither effective nor sufficient. The time is ripe for Asian governments to collaborate and rethink how barriers for philanthropy may be lowered so that they can become part of the transformative solution. Currently, a number of regional problems demand our immediate action – these include support for stateless children, mitigating effects of climate change, disease control/prevention, environmental catastrophe management and the unequal status of women in Asian countries. Of course, the global Covid-19 outbreak has also meant there is an even greater need for assistance across borders. Indeed, it is heartening to note that across the region, the level of philanthropy has increased in 2020 as a result of the pandemic. However, this disruptive crisis has also very clearly highlighted the need for a sustainable and structured mode of giving in Asia.



2. ENCOURAGING EVERYONE TO GIVE

Second, everyone in society should be encouraged to give. Incentivising philanthropy should not be a project targeted only at the ultra-rich. The success stories of technology-enabled giving not only boasts the power of technology, they also demonstrate that “the power to imagine better”— to borrow JK Rowling’s words—is truly within each of us. Collective action is the only way to deliver real social impact.

To encourage more people to give, public giving should be made easy and donor awareness of worthy charitable causes must be increased. Governments can support the development of credible and sustainable community giving platforms by certifying the trustworthiness of the platforms that have incorporated transparent and strong governance frameworks. Such a certification scheme will greatly assist potential donors in selecting an appropriate platform for giving as well as encourage other donation platforms to follow suit.

Beyond certification, governments can also consider funding smaller charities or non-profit organisations to adopt technology targeted at improving operational transparency and streamlining day-to-day management. In an ideal scenario, governments should attempt to work towards tackling common challenges via a jurisdictionally agnostic approach based on merit.

Further, law societies or similar organisations in Asian countries may consider replicating and drawing inspiration from the English “Remember a Charity” campaign which brought 200 charities together to encourage more people to make a gift to a charity in their wills.⁵³ The message should be loud and clear: humanity is a shared responsibility.

3. ENCOURAGING FORMAL GIVING THROUGH DONOR-ADVISED FUNDS

Third, to enable more strategic giving, Asian societies should be encouraged to give through institutionalised channels. Formal giving also generates reliable data sets for future studies of Asian philanthropic developments.

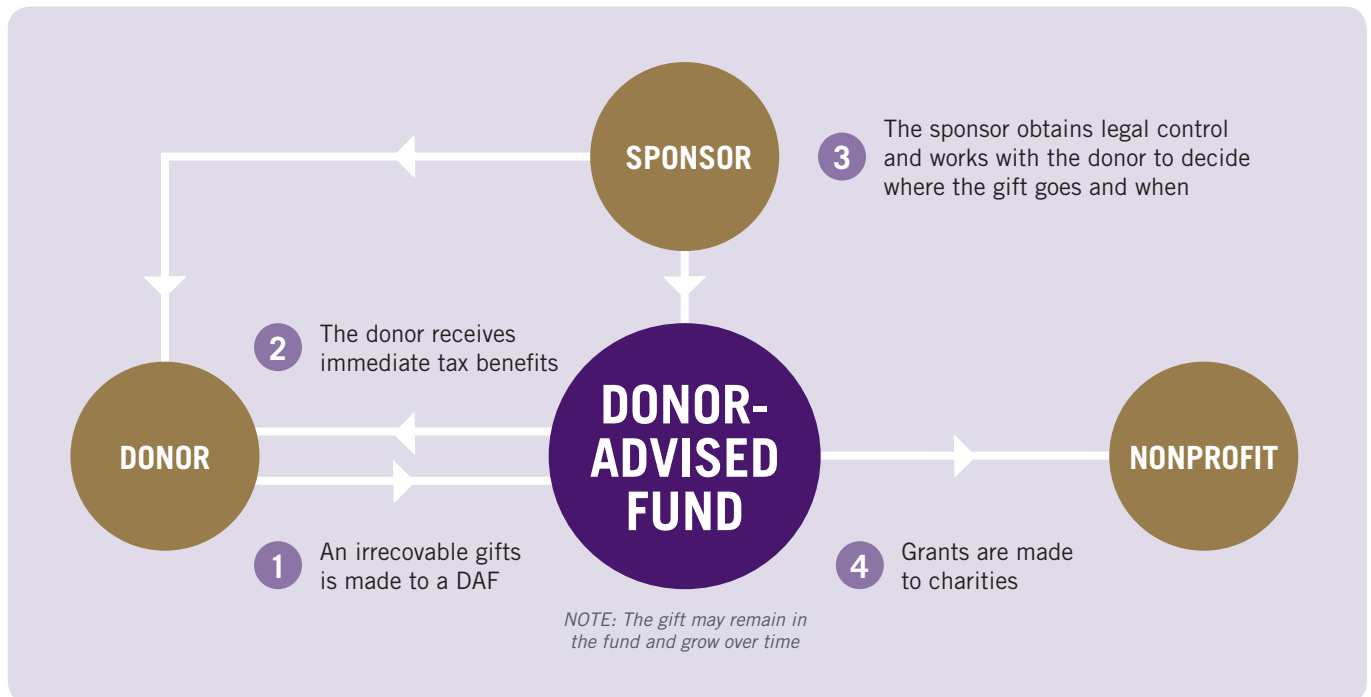
In line with the direction to encourage more people to give, we propose the adoption of donor-advised funds across Asia as a formal channel of giving. A donor-advised fund provides a structured, simplified and cost-efficient vehicle that enables even small-scale givers to fulfil their philanthropic objectives.⁵⁴

Donor-advised funds started in the US and is currently the country's fastest growing vehicle for charitable giving - in 2015, more than 269,000 donor-advised funds held over US\$ 79 billion in assets.⁵⁵ The largest donor-advised fund in Silicon Valley—the Silicon Valley Community Foundation—has received

billions of assets from tech entrepreneur legends, including Zuckerberg, Dorsey, Kuom and Hastings.⁵⁶

Donors put money or assets into an account which is controlled and run by a sponsoring organisation.⁵⁷ The donor can choose to have the assets invested and advise on how much to give and for what causes later.⁵⁸ Alternatively, to make an immediate impact, the donor can elect to have the fund flow through to his/her chosen charities right away.

In choosing this vehicle for philanthropy, donors receive professional services from the sponsoring organisations on investment, grant-making and fund disbursement; avoid the costs of setting up his/her own charities/foundations; and have greater control over the use of his/her assets for generating social impact.⁵⁹



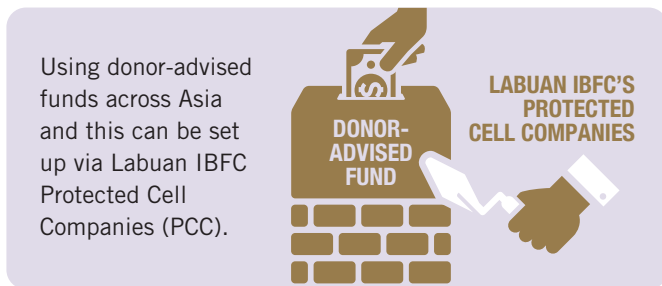
Structure of a Donor-advised Fund⁶⁰

Donor-advised funds are beginning to emerge in the Asian landscape. SymAsia Foundation, a philanthropic initiative of Credit Suisse, was set up in 2010 for its clients.⁶¹ A minimum of SGD 1 million worth of assets is required to set up a fund with SymAsia. Gaining traction over the years, in May 2016, SymAsia was reported to have received a total of SGD 80 million in donor-advised funds.⁶² Established in 2008, the Community Foundation of Singapore caters to an even wider segment of society keen on giving: it only requires a sum of at least SGD 200,000 to set up a donor-advised fund.⁶³ In the Asian context, there are no barriers to the development of a Syariah-compliant donor-advised fund, which would in turn ensure only Syariah-compliant beneficiaries benefit from these funds and that the fund itself is managed in a compliant manner.

Corporate Social Responsibility in both mission and action to engage and inspire stakeholders, employees and customers. Enabling impactful philanthropy would be an excellent ethical principle for the entire organisation to adopt.

In ensuring successful implementation, currency risks and tax friction which may arise from cross-border donations must be tackled head-on, as such risks may discourage potential donors from giving generously towards regional causes.

A simple solution might be to set up donor-advised funds using the Protected Cell Company (PCC) structure offered by Labuan IBFC, a tax and currency-neutral wholesale financial intermediation centre.⁶⁴ The PCC could in turn be owned by a Labuan private or public charitable foundation, which would provide better governance for greater transparency via the natural check and balances that can be incorporated into the structure of the foundations via both its articles of association as well as its council members who would be entrusted with the running of the Foundation.

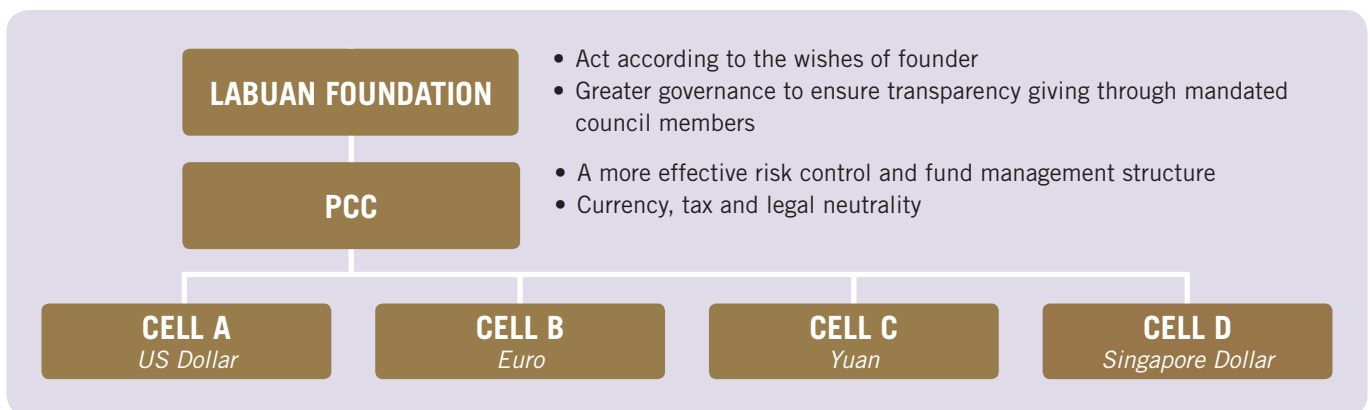


The PCC is a single corporate structure that comprises several segregated cells which operate independently from each other and have separate assets and liabilities. Funds collected in various currencies could be stored in different cells to enable effective risk control and fund management.

In our view, donor-advised funds should be actively adopted across Asia to enable cross-border giving in the region. To do so successfully, a step-by-step roadmap is key. Here are two strategic steps which we think are crucial.

Alternatively, each cell could instead be structured based on the philanthropic focus which the council can elect based on an overriding ethos that is embedded in the articles of establishment of the foundation itself. In structures such as these, the flexibility and agnosticity of the solution is ideal for cross-border initiatives, but what is key is the inherent check and balance that is engrained into the solution as dictated by the legal requirements of the structure itself.

First, major players in the banking and finance industry must step up to the plate and invest resources to set up and promote donor-advised funds. The era of a purely profit-driven business model is behind us. Commercial organisations are embracing



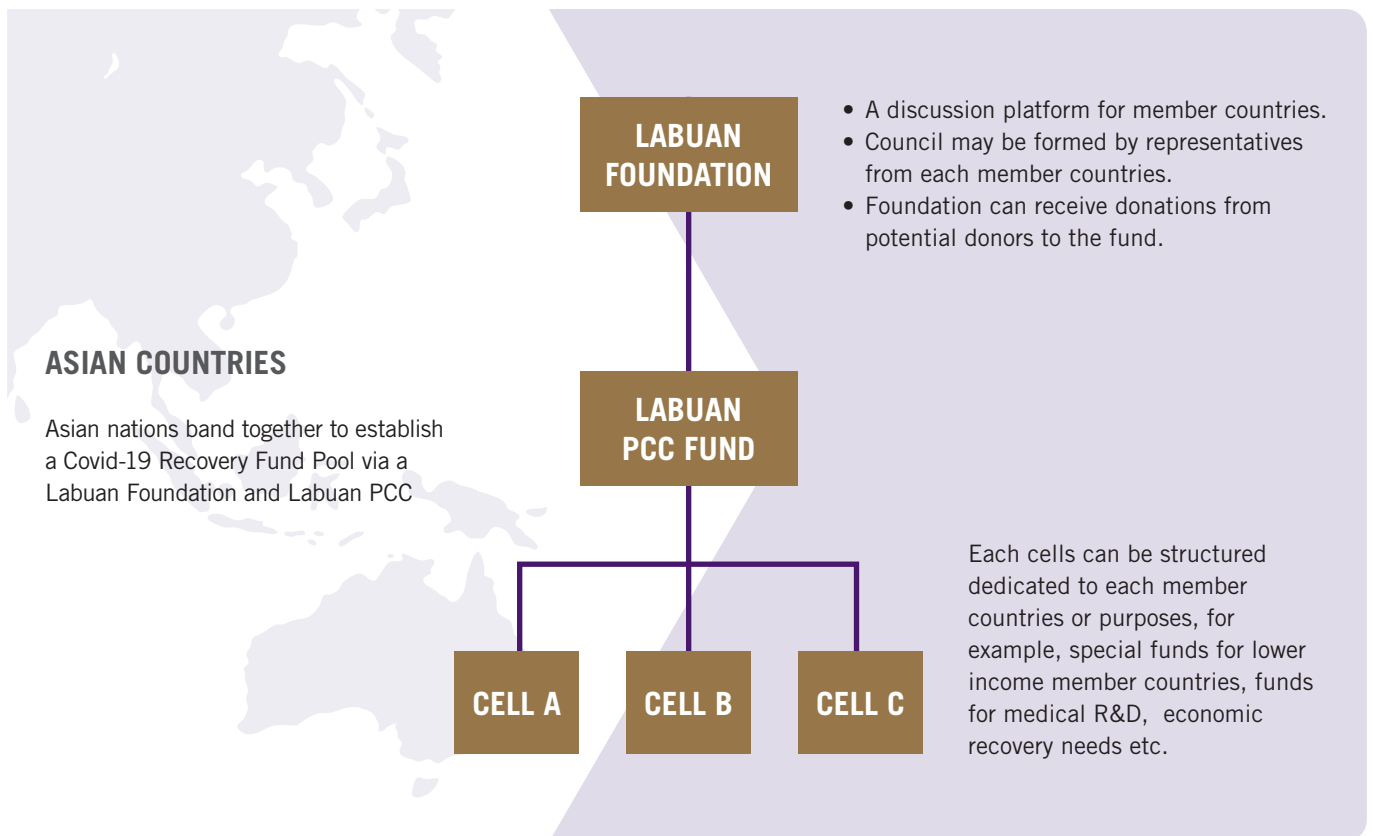
Labuan PCC as donor-advised funds

Second, the successful implementation of donor-advised funds across Asia requires Asian governments to facilitate regional collaboration between the regulators and commercial players from different countries. The success of any regional initiative lies with the level of political will which it carries and the needs that necessitate it. The Covid-19 crisis seems to have created a heightened appreciation of the need for cross-border collaboration, which will hopefully encourage the implementation of cross-jurisdictional initiatives.

As mentioned above, the World Bank has warned that the economic fallout from the pandemic could drive an additional 11 million people in emerging Asian economies into poverty. The recovery from the impact of the pandemic will be a long and

difficult journey. But there is also a silver lining: the pandemic has sparked an unprecedented level of philanthropic giving. In March, it was reported that philanthropic giving to combat the Covid-19 has reached US\$1 billion across the world.

Turning to Asia, low levels of insurance penetration is of particular concern, as many countries are exposed to natural disasters. Apart from battling humanitarian tragedies with high numbers of casualties, vulnerable countries are inevitably pushed into economic collapse by natural disasters that unleash large-scale physical damage and economic losses. The urgency is real as Asia continues to be hit by natural perils. Again, regional collaboration is key to setting up flexible and sustainable funding models that will help in building a more resilient region.



Regional collaboration for better Asia

Regional collaboration is necessary in these unprecedented times. A Labuan Foundation may be set up by Asian countries and subsequently this Foundation could set up a Covid-19 Recovery Fund Pool via a Labuan PCC fund. The representatives from each member country may sit at the Labuan Foundation's council to ensure the funds are channelled and managed in accordance to the constituent documents which set out the intent and objectives of the member countries. Potential donors could also contribute to the foundation as part of their philanthropic contributions to the regional fund.

Regional collaboration is not a far-fetched dream. It has happened before: the ASEAN Infrastructure Fund is an example of a successful multilateral effort. The ASEAN Infrastructure Fund is a dedicated fund established by ASEAN member nations and the Asian Development Bank to address regional infrastructural development needs by mobilising regional savings. Contributors to the fund include the Asian Development Bank, Malaysia, Singapore, Thailand, Indonesia and many other Southeast Asian countries. This fund is domiciled in Labuan IBFC as well, and has been since its inception in 2011.

The impact of such collaboration among different entities and jurisdictions can be seen in the many ongoing infrastructure projects – from strengthening the electricity grid in Sumatra to improving roads in Myanmar.⁶⁵ To create a better Asia, Asian governments must create space and avenues for constructive conversation, experience-sharing, coordinated problem-solving, and mutual support.



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

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



**US\$1
BILLION**

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

E. ASIAN GOVERNMENTS TO CELEBRATE THE HEROES OF ASIAN PHILANTHROPY

Finally, to promote and grow philanthropy in Asia, governments should be proactive in celebrating heroes of Asian philanthropy. Award schemes should be devised to recognise the contributions of corporations or individuals who have made substantial donations; innovated in the space of philanthropy; contributed to the success of existing philanthropic programmes; or actively partnered with governmental agencies to expand access to philanthropy.

We should not have to wait for the media (e.g. the Forbes Asia's list of heroes of philanthropy) to identify these remarkable corporations and individuals. These heroes already live in our societies and work to improve the lives of many. Let us lift them for all to see.

We all agree that giving starts at home; Asia is our home. Let us give in Asia, for Asians by Asians. Asia should not be shackled by jurisdictional boundaries - now more than ever, when the region is faced with an unprecedented challenge. Through the combined efforts of governments, commercial entities, non-profit organisations and the compassionate Asian population, philanthropy in Asia will enter a new frontier.

AN OVERVIEW

ASIA



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



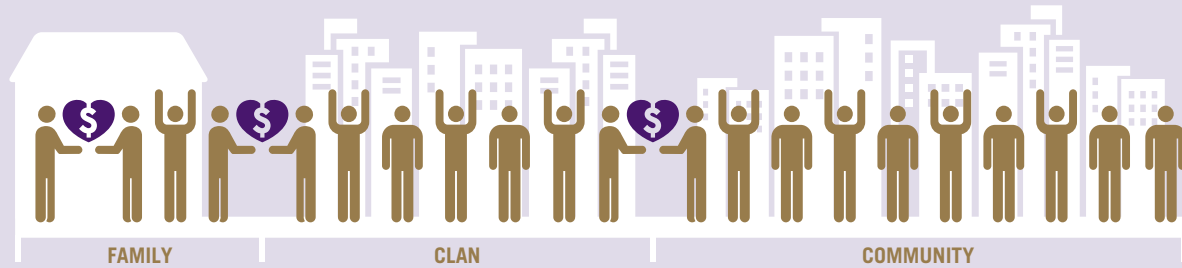
Also home to nearly half of the world's poorest people.



Rich are getting richer, but are they giving more?

CURRENT WAYS OF GIVING

CHARITY BEGINS AT HOME



TENDS TO BE LOCAL, NOT REGIONAL

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



LABUAN IBFC PRIVATE FOUNDATION

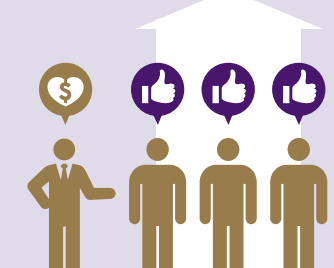
DRIVEN BY RELIGION



LABUAN INTERNATIONAL WAQF FOUNDATION

NEW APPROACHES

CHANGING MINDSET



Asians are becoming more open.



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

RISE OF YOUNG ULTRA

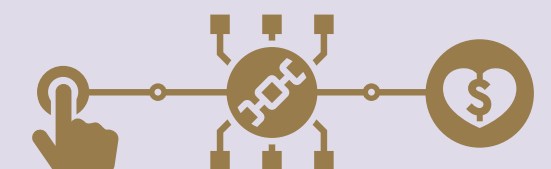


35% of Asian wealth is expected to pass into the hands of millennials in the next 5 to 7 years.



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

TECH-ENABLED PHILANTHROPIC



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



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

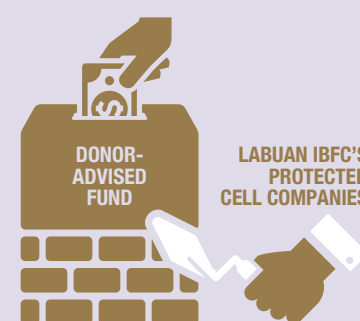
GREATER ACCESS TO PHILANTHROPIC

BEYOND HOME



Greater access to philanthropy.

STRUCTURED GIVING THROUGH DONOR-ADVISED FUND



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



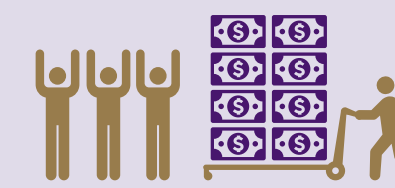
The successful implementation across Asia requires governments to facilitate regional collaboration between the regulators and commercial players from different countries.

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



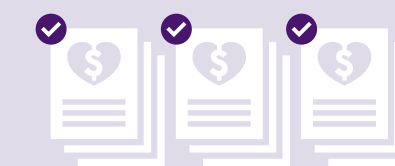
Recent reports have shown rising worldwide philanthropic giving due to the COVID-19 pandemic that has reached US\$1 billion.

RECOGNISE THE REMARKABLE CORPORATIONS OR INDIVIDUALS



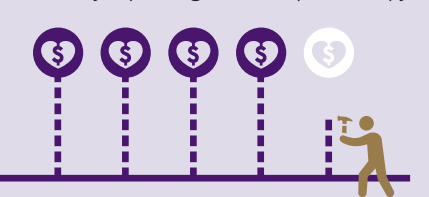
Have made substantial donations.

Contributed to the success of philanthropic programmes.



Innovated in the space of philanthropy.

Actively expanding access to philanthropy.



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