

Should I stay or should I go?

China's Overseas NGO Law and Local Chinese Charity Law

HKTA/STEP - KPMG Offices Hong Kong

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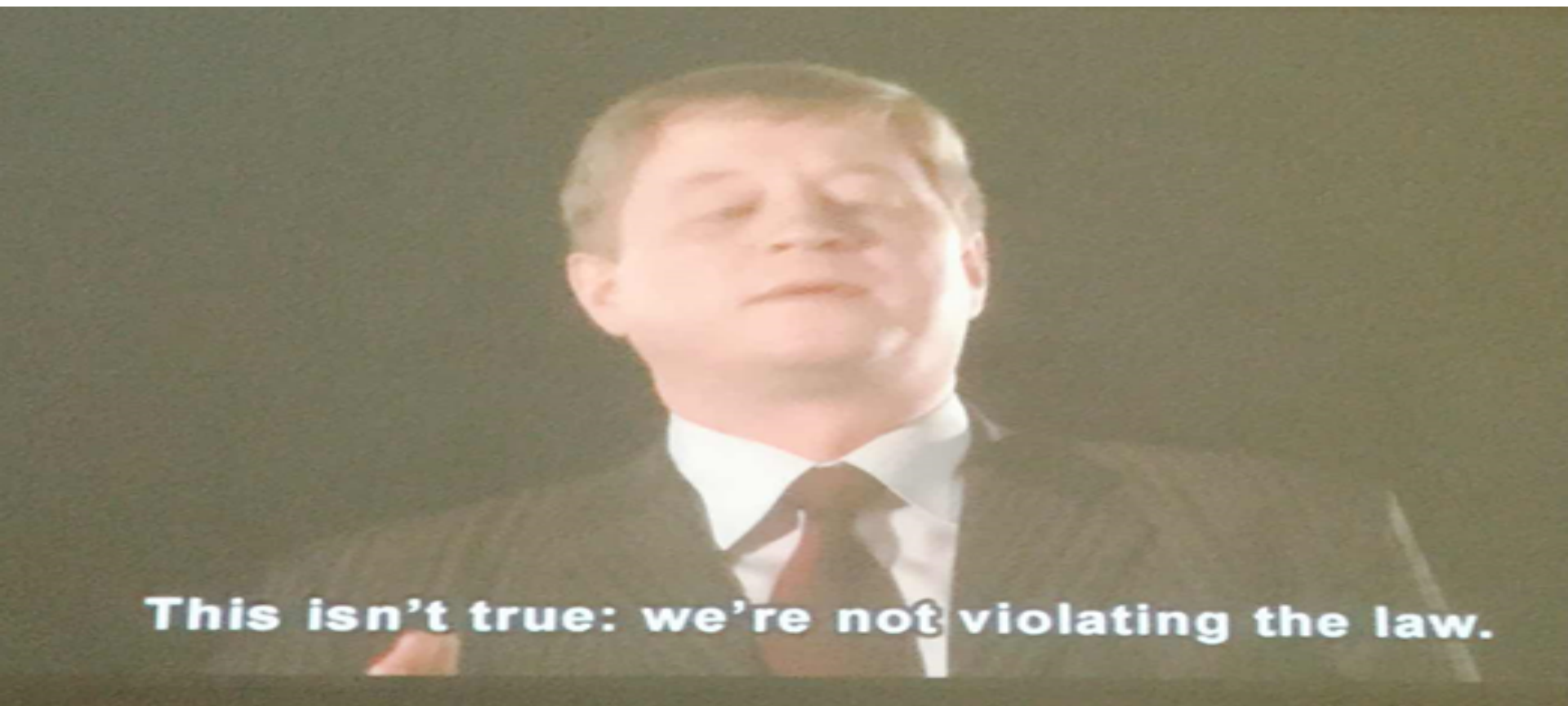
Agenda

- A. Fighting through the fog
- B. Making the way clear
- C. Roadmap home

A. Clearing things up?




Who is the law speaking to?

A man in a dark suit, white shirt, and dark tie is shown from the chest up. His eyes are closed, and he has a neutral expression. The background is a plain, light-colored wall.

This isn't true: we're not violating the law.

Who are the exceptions?

A man with light brown hair, wearing a dark suit, white shirt, and dark tie, is shown from the chest up. He is looking slightly upwards and to the right, with his mouth open as if speaking. His hands are visible at the bottom of the frame, gesturing. The background is a dark, textured grey.

We're making an exception to the law.

Who can you call?



B. The Difference between the two laws

| China Charity Law | FNGO Law |
|-----------------------|--------------------|
| Oct 2015 | Jan 2017 |
| 30 Nov 2015 | Mid 2016 |
| 11 chapters | 9 Chapters |
| Strengthen management | Strengthen control |

Who is in control?

| China Charity Law | FNGO Law |
|---------------------------|-----------------------------|
| No supervision department | Need Supervision Department |
| Need Party Club Inside | Public Security Bureau |
| Ministry of Civil Affairs | |

How the Government defines Charity

| China Charity Law | FNGO Law |
|-----------------------------|----------|
| Economic, Education | |
| Culture, Health, Sport | Similar |
| Environment, Poverty Relief | |
| Disaster Management | |

Definition of Charity organization

| China Charity Law - wide | FNGO Law - wide |
|------------------------------|----------------------|
| Foundation | Non-profit |
| Social organisations | Non-government |
| Social service organisations | Social organisations |

Fundraising

| China Charity Law | FNGO Law |
|--------------------------------------|-------------|
| Only provincial public organisations | |
| can do online fundraising – must be | Not allowed |
| More than 2 years - No individual | |
| Can do online fundraising | |

Resources and Stakeholder Management

| | |
|-------------------------|------------------------------|
| China Charity Law | FNGO Law |
| Outsource by Government | |
| e.g. education charity, | Heavily dependent on Partner |
| Poverty Relief, | |
| Disaster Management | |

Future of the two laws

| China Charity Law | FNGO Law |
|------------------------------|------------------------------|
| Will pass | Implementation Regs Jan 2017 |
| Not big change | Could be some adjustment |
| Optimistic if wise operation | US-China Relation |
| Need to have good judgement | EU-UK China Relation |

C. Roadmap to survival

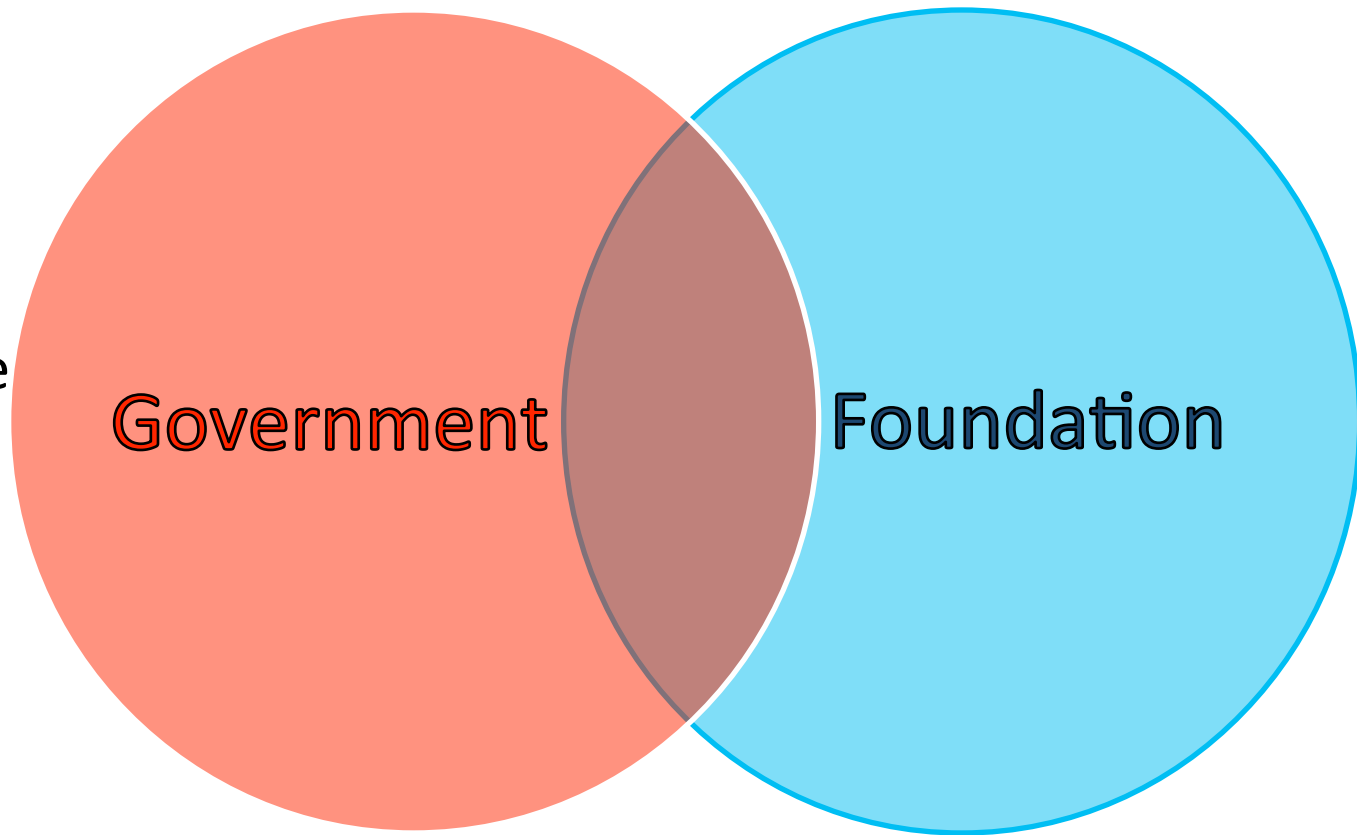
- 1. Right Project:** Align with 13th Five Year Plan
- 2. Right Structure:** CSR, Foundation, Partner
- 3. Right People:** Balance East/West
- 4. Right Partner:** Sustainable
- 5. Right Branding:** Chinese Media

1. Right Project: Lanzhou



2i. Right Structure

- 1) Poverty Relief
- 2) Health
- 3) Child Welfare
- 4) Women's Welfare
- 5) Education
- 6) Environment
- 7) Culture
- 8) Human Rights



2ii. Right Structure

- CSR, Foundation or Partner
- Registered Charity in US, UK and Germany
- Quarterly Board meetings in HK/Shanghai
- Project implementation in Beijing/Tier 2 and 3
- Free offices and support staff by Donor
- Staff/rent overheads kept to a minimum

3i. Right people



3ii. Right Board



- **Roy Chan** Global Board Member of DLA Piper
- **Wang Liwei** CEO Charitarian
- **James Lee** Regional Director, Greater China, ICAEW
- **Chris Rayner** CEO Asia Pacific, SSP
- **Iain Drayton** Partner, Goldman Sachs, Hong Kong
- **Clare Pearson** DLA Piper and British Chamber

4i. Right Partner - BMW



4ii. Right Partner



5i. Right Branding



5ii. Right Branding



CHINA DEVELOPMENT
FOUNDATION



Case Study: CDF



Case Study: CDF City



CHINA DEVELOPMENT
FOUNDATION

