

## **ANNEX 4: Tax Measures to Promote Philanthropy**

### Double tax deduction for donations to Institutions of a Public Character (IPCs)

1 Double tax deduction will be granted for all cash donations made to Institutions of a Public Character (IPCs) on or after 1 January 2002. Double tax deduction will also be granted for donations of computers and related peripherals under the Computer Donation Scheme, artefact donations to Approved Museums, and approved shares and unit trusts donated under the Shares Donation Scheme.

### Carry-forward of tax deductions for donations to IPCs

2 Individuals and corporations will be allowed to carry forward for 5 years all “un-utilised” deductions granted for donations made to IPCs on or after 1 January 2002.

### Tax deduction for donations with naming opportunities

3 Some IPCs grant naming opportunities to their donors in return for their generous financial support. For example, some name their buildings or scholarships after their benefactors. A single tax deduction will be granted to such donations made on or after 1 January 2002.

### Exemption from estate duty for donations made from estates

4 Currently, only donations to IPCs specified in a will are exempted from estate duty. With effect from 1 January 2002, all donations made from estates will be exempted from estate duty.

### IPC status for qualifying charitable private foundations

5 All qualifying charitable private foundations that benefit the local community at large will now enjoy IPC status to help them raise funds for their charitable activities.