

Guidance on writing charitable purposes in the governing instrument

1. The governing instrument of a charity should contain a clause which is usually referred to as the “object” clause stating clearly its charitable purposes. This document provides guidance on how to write charitable purposes with illustrative examples. Organisations should customise their object clauses to suit the specific charitable purposes that they are established to achieve and seek professional advice if in doubt.
2. Using the examples of objects provided in the ensuing paragraphs, or applying this guidance, will not in itself guarantee that an organisation is eligible for recognition of tax exemption status under section 88 of the Inland Revenue Ordinance (Cap. 112). However, it would facilitate the Department’s assessment of an organisation’s eligibility for such recognition.

What are charitable purposes

3. The purposes of an organisation are the objectives that it is set up to achieve. A charitable purpose is one that is exclusively charitable and also for public benefit. For more details of charitable purposes, please refer to paragraphs 6 to 11 of the [“Tax Guide for Charitable Institutions and Trusts of a Public Character”](#) published on the Department’s website.

How to write charitable purposes: the object clause

4. The wording of an object clause should be clear and unambiguous, showing that the purposes of the organisation are exclusively charitable and also for public benefit. In general, one should be able to identify the following elements in the object clause of a charity’s governing instrument:
 - (a) The charitable purpose category;
 - (b) The means of providing the charitable benefit; and
 - (c) The eligible beneficiary group.
5. The purposes or objects are important as they define why an organisation exists and provide direction to its governing body in terms of the activities that should be delivered in order to achieve them. They also portray to the public, potential members and funders what exactly an organisation aims to achieve and will inform their decision whether or not to support the organisation. The object clause in a charity’s governing instrument should reflect its activities.

First element – The charitable purpose category

6. In general, charitable purposes are classified into four heads (relief of poverty,

advancement of education, advancement of religion and other purposes of a charitable nature beneficial to the community not falling under any of the preceding heads).

7. For the first three heads (relief of poverty, advancement of education and advancement of religion), this element is usually met by including in the wording of the object clause the head to which the charitable purpose belongs. For example:
 - A charity established for the relief of poverty may start writing its charitable purpose with the words “for relief of poverty, to...”.
 - An educational charity may use the words “for advancement of education, to...”.
 - A charity promoting Christianity may write “for advancement of Christianity, to...”.
8. For charitable purposes falling within the fourth head (other purposes of a charitable nature beneficial to the community not falling under any of the preceding heads), each specific charitable purpose descriptor within this broad head must be clearly identified and stated in the object clause. For example:
 - A charity established for promoting public health may use the words “for advancement of public health for the benefit of the Hong Kong community, to...”.
 - A charity set up for relief of sickness may start with the words “for relief of sickness for the benefit of the Hong Kong community, to...”
 - A charity set up for promoting environmental protection may use the words “for promotion of environmental protection for the benefit of the Hong Kong community, to ...”
 - A charity set up for advancing animal welfare may start with the words “for promotion of animal welfare for the benefit of the Hong Kong community, to...”
9. When writing charitable purposes, the wording should be clear and precise. Charities may start with the following standard wordings where possible:
 - “for advancement of...” or “to advance...”
 - “for promotion of...” or “to promote...”
 - “for relief of...” or “to relieve...”

Second element – The means of providing the charitable benefit

10. A purpose should identify the means of providing the charitable benefit. The means defines the scope of the activities that can be conducted by a charity to directly further its objects. If appropriate, a charity should specify how it will

achieve its charitable purpose category (the first element) by using, for example, the following wordings:

- “to provide information” or “by providing information”
- “to provide advice” or “by providing advice”
- “to raise awareness” or “by raising awareness”
- “to make grants” or “by making grants”.

A charity which provides grants to the poor as a way to relieve poverty may write its object as “to relieve poverty by providing grants to the poor...”.

11. However, a charity should aim to strike a balance between clearly expressing what the charity will do to achieve its purpose and unnecessarily restricting what it can do. For example:

“For protection and preservation of the environment for the benefit of the Hong Kong community, by (a) promotion of waste reduction and use of recycled products; (b) advancing education of the public about all aspects of waste generation, waste management and waste recycling.”

Third element – The eligible beneficiary group

12. Appropriately defining the eligible beneficiary group (the members of the public who can potentially benefit from a purpose or from the activities carried out to further a purpose) is necessary to ensure that a charitable benefit is provided to the public or a sufficient section of the public.

13. The beneficiary group eligible for the charitable benefit must be relevant to the charitable objects of the charity. Depending on the nature of the charitable purposes, restrictions on the eligible beneficiaries may or may not be required. For example, beneficiaries for poverty relief must be restricted to people experiencing poverty; while facilities promoting public health should be available to the general public as a whole.

14. For example:

- For advancement of education (first element), to operate a school (second element) for the general public (third element).
- For promotion of health for the benefit of the Hong Kong community (first element), to operate a public (third element) hospital (second element).

A charitable purpose should not be broad or vague

15. If the wording is too broad or vague, it will not be clear that a purpose is charitable

(i.e. the purpose should fall within one of the four charitable heads and provide the required public benefits). Broad means the purpose may allow for both charitable and non-charitable activities and or delivery of unacceptable level of private benefits. Vague means the wording may be interpreted in different ways. Words such as “worthy”, “deserving”, “benevolent”, “philanthropic”, “welfare” (without stating the specific charitable context like “social welfare” or “animal welfare”) should be avoided.

Powers and objects: the difference

16. A charity’s objects are what it is set up to achieve while its powers are what it can do to help achieve the objects. The difference is that powers are about *how* a charity operates; objects are about *what* it delivers. Examples of power clauses include the authority or power to:

- raise funds
- buy, hold, and sell property
- employ and pay staff
- make investments
- borrow money
- enter into contracts

17. Power clauses should be listed separately from a charity’s objects and often follow the object clauses in a charity’s governing instrument. Power clauses may be linked to the objects with the word “by” after the stated objects or with a linking sentence such as:

“In furtherance of the objects of [the Charity] but not otherwise, [the Charity] shall have the following powers:”

Examples of charitable objects

18. Examples of purposes that relieve poverty include:

- To relieve poverty of persons of low income by providing food and basic healthcare.
- For relief of poverty, to provide clothing to people who are homeless and others who cannot afford to buy clothing for themselves.

19. Examples of purposes that advance education include:

- To advance education by providing scholarships based on academic merit to allow secondary school graduates to attend first-year university.
- For advancement of education, to provide life-skills training to young people

from disadvantaged backgrounds.

20. Examples of purposes that advance religion include:

- To advance Buddhism by providing Buddhist teachings to people who are interested, so that they may practise Buddhism.
- For advancement of the Christian religion, to establish and operate a church; offering regular masses and other opportunities for public worship at the church and to provide religious education, such as Sunday school programs.

21. Examples of purposes of charitable nature that are beneficial to the community include:

- To promote health for the benefit of the Hong Kong community by providing education seminars to young people regarding sexual health, and the risks of, protection from, and treatment for sexually transmitted infections.
- For relief of the need of the elderly for the benefit of the Hong Kong community, to provide personal care and transportation to medical appointments to elderly people who are affected by conditions associated with aging.
- For advancement of animal welfare for the benefit of the Hong Kong community, to provide and maintain rescue homes or other facilities for the reception, care and treatment of animals in need of care and attention.