

ABSTRACT

The governmental system of social welfare can not meet the various demands. The budget growth of social welfare is limited, therefore it is an import issue for the authorities to combine civil resources to engaged public welfare activities. According to the statistics of the Directorate General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan, the GDP growth rate is 4.0% in 1995, higher than America (3.2%), Japan (1.9%) and England (1.9%). Compared with global development of charitable trust, if the authorities strengthen advocating and study complete measures with private departments, the effects of charitable trust will develop obviously. Then the expenditure of social welfare will transfer to private departments successfully, and the governmental budget of social welfare will decline.

Many nonprofit organizations are facing the homogeneous organization competition in raising funds. They are digging out and studying innovative ways of raising fund. Such as Eden Social Welfare Foundation, they desire to enrich law, taxes, and case studies to understand the procedure of setting up charitable trust. Trust Law and Trust Business Law had been stipulated and gone into effect in 1996 and 2000 separately, and other tax laws related trust has been put into practice. After completing trust law system, charitable trust had not been adopted popularly up to now. It is worthy to study the reason and to improve charitable trust so as to enhance social welfare criteria. Our trust law system refers to the trust law of Japan and Korea. It is related to American and England trust law systems indirectly. Therefore, it is an important issue to introduce the trust law of Japan, America, and England.

Charitable trust and nonprofit organization are established by supplying certain property to engage in public welfare activities. The former is suitable for public welfare to sponsor money and not limited by amount; the latter is suitable for operating public welfare activities and amount is limited by different authorities. The nonprofit organization is

continental system, and the charitable trust is common law. The former is resourced from the Civil Law; the latter is resourced from the Trust Law. We can't explain the charitable trust by the Civil Law concept because the charitable trust belongs to trust. In short, I would like to introduce the system of charitable trust on the basis of the Trust Law, and compare the systems and taxation between charitable trust and nonprofit organizations. Moreover, it is essential to compare the operation, system, taxation globally. So as to provide thinking people some references to measure their financial resources and demand to do public welfare activities.