

The Revision of Law of Trust and Charitable Trust

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- (1) The charitable trust functions in the society by designating a trustee to whom the asset of settler is transferred for the purpose of the public benefit in the promotion of arts and science, education, social welfare, protection of nature and international exchange etc.. The Trustee is responsible for attaining the giving aims in the public benefit by managing and operating the transferred assets. It has been 27 years since the first 2 charitable trusts were established (1977), there are 562 charitable trusts as of the end of March, 2005. The charitable trust is defined by article 66 of the Trust Law, and its function in the society is almost equivalent to that of nonprofit and public benefit corporations, especially incorporated foundations, as defined by article 34 of the Civil Code. An incorporated foundation is defined as an organization that manages and uses its endowments according to the charitable aims of its contributors. Both of the article 34 of Civil Code and article 66 of the Trust Law require that approval be obtained from an authorizing agency for establishment. Now, the public benefit corporations as defined by the article 34 of the Civil Code Reform is going on and the governmental reform team is at the final stage in drafting an initial Bill for the public consultation. The new nonprofit corporation will be able to establish without approval from the authorizing agency regardless of charitable object or not charitable. And on the charitable trust, is there necessity for making consistency with the new nonprofit corporation?

- (2) On the other hand, the Public Benefit Corporation Management Office in the Government is preparing for making an outline of the Japanese Charity Commission for the judging criteria of charitable objects. On this issue, is there necessity for making consistency with the new nonprofit corporation?
- (3) Is it able to establish the nonprofit trust?
- (4) Charitable lead trust and charitable remainder trust.