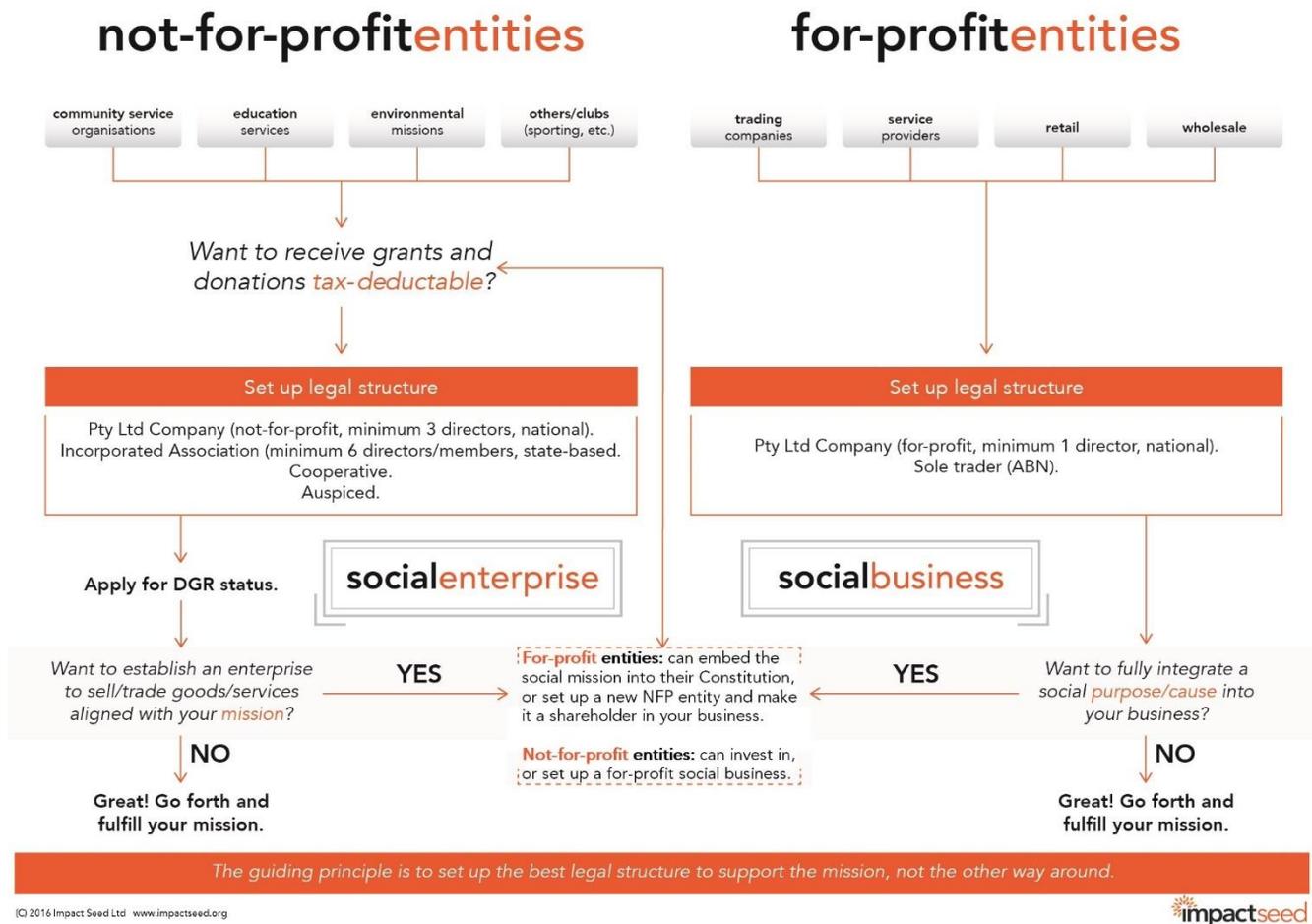


Under current Australian Corporations law, incorporating for social impact is challenging. There are several options available for founders wanting to embed social impact into the DNA of their business. These are outlined below.



OPTION 1: Hybrid Structure (both for-profit Pty Ltd+ NFP foundation entity): If you choose the hybrid structure of incorporating 2 entities (NFP and for profit, either making the NFP a shareholder in the for profit, or structuring a profit share to the NFP from the for-profit through a separate agreement.

A) Incorporating your NFP Entity with ASIC here:

http://download.asic.gov.au/media/1181215/201_20140701.pdf (this form is only available offline, ie. to be completed offline and mailed in)

B) The above link is to a form to register a NFP (Pty Ltd by member guarantee) entity with ASIC. Registering an NFP requires a constitution (you can't use replaceable rules that for-profit companies often use. You'd need to consider your "Objects" (ie your mission/reason for being). The ACNC have both a template constitution you can start with, and a guide for drafting an NFP constitution here:

<https://www.acnc.gov.au/tools/templates/constitution-charitable-company-limited-guarantee> (this template is only available offline, ie. to be completed offline and mailed in)

C) Once you've registered your NFP entity with ASIC, you'll need to apply to the Australian Charities and Not For Profits Commission (ACNC) to accredit your NFP here (this is also a step towards obtaining DGR (deductible

gift recipient) status, which is a separate process with the ATO. Register with the ACNC here:

http://www.acnc.gov.au/ACNC/Register_my_charity/Start_Reg/ACNC/Reg/Apply_to_register.aspx

Once the above steps are complete – which can take between 3 weeks up to a few months, you may then be able to apply with the ATO for DGR [deductible gift recipient] status if you have written the appropriate charitable objects into the constitution of the NFP entity. We suggest you seek professional legal assistance if you go down the DGR path:

[https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-\(DGR\)-endorsement/Apply-for-DGR-endorsement/](https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-(DGR)-endorsement/Apply-for-DGR-endorsement/)

OPTION 2: For-profit entity ONLY:

If you simply want to incorporate a for-profit entity, we suggest embedding your social mission into your company's constitution. You can apply to register your new for profit (Pty Ltd by shares) entity here:

http://download.asic.gov.au/media/1181215/201_20140701.pdf but remember you'll need to consider your "Objects" (ie your mission/reason for being) and draft a constitution to attach with your application.

OPTION 3: Not-for-profit entity ONLY

The above link is to a form to register a NFP (Pty Ltd by member guarantee) entity with ASIC. Registering an NFP requires a constitution (you can't use replaceable rules that for-profit companies often use. You'd need to consider your "Objects" (ie your mission/reason for being). The ACNC have both a template constitution you can start with, and a guide for drafting an NFP constitution here:

<https://www.acnc.gov.au/tools/templates/constitution-charitable-company-limited-guarantee> (this template is only available offline, ie. to be completed offline and mailed in)

Once you've registered your NFP entity with ASIC, you'll need to apply to the Australian Charities and Not For Profits Commission (ACNC) to accredit your NFP here (this is also a step towards obtaining DGR (deductible gift recipient) status, which is a separate process with the ATO. Register with the ACNC here:

http://www.acnc.gov.au/ACNC/Register_my_charity/Start_Reg/ACNC/Reg/Apply_to_register.aspx

Once the above steps are complete – which can take between 3 weeks up to a few months, you may then be able to apply with the ATO for DGR [deductible gift recipient] status if you have written the appropriate charitable objects into the constitution of the NFP entity. We suggest you seek professional legal assistance if you go down the DGR path:

[https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-\(DGR\)-endorsement/Apply-for-DGR-endorsement/](https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-(DGR)-endorsement/Apply-for-DGR-endorsement/)