

**Subud USAs modified response to Germany's Proposal:
WSA Non-Profit registration be moved from USA**

The Subud USA delegation believes that this proposal is ill advised.

The decision to incorporate WSA in Washington D.C., after years of deliberation, was based on an analysis that Washington D.C. provided a more favorable regulatory regime for WSA than other countries examined. In a memorandum supporting the decision to incorporate WSA in Washington D.C. Harun Murray, who incorporated several Subud entities while ISC Chairman, described the deliberative process that led to the decision, indicating, "that the selection of the USA domicile of WSA was based on a process which involved one World Congress, two WSCs, two ISCs, and a long period of deliberation. The domicile of the Foundation was chosen as a consequence of the above deliberations." Harun went on in his memorandum to cite seven reasons why WSA was registered in Washington D.C.:

1. Washington D.C. does not require "local" directors, meaning directors may reside in other countries.
2. Washington D.C. does not require that annual meetings be held in the United States.
3. Washington D.C. has no currency controls and no history of such controls.
4. Tax-exempt status can be obtained in the United States. This has two advantages: (1) property and income are not subject to tax; and (2) donations from donors subject to U.S. tax law are allowed a tax deduction for donations made.
5. Professional service costs for incorporation, obtaining tax-exempt status, financial statement audits, etc., are low in the Washington D.C.
6. The United States has over 70 tax treaties with other countries. Some of these tax treaties provide reciprocity for tax-exempt funds transferred between non-profit organizations.
7. U.S. tax law permits U.S. domiciled tax-exempt organizations to transfer grants abroad to other organizations without impairing the tax deductibility of the donor's original donation.

Although Subud USA does not believe that the political positions taken by the U.S. Government should be a part of the dialogue, those who do may find comfort in the fact that corporate status is not issued by the United States. Rather, corporate status is issued by an individual state, or, in the case of WSA, Washington, D.C.