



Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities

Date:
02/06/2026
Employer ID number:

Form you must file:

Tax years:

Person to contact:

Release Number: 202618012
Release Date: 5/1/26
UIL Code: 501.03-00, 501.03-05, 501.35-00, 501.36-00

Dear :

This letter is our final determination that you don't qualify for exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3). Recently, we sent you a proposed adverse determination in response to your application. The proposed adverse determination explained the facts, law, and basis for our conclusion, and it gave you 30 days to file a protest. Because we didn't receive a protest within the required 30 days, the proposed determination is now final.

Because you don't qualify as a tax-exempt organization under IRC Section 501(c)(3), donors generally can't deduct contributions to you under IRC Section 170.

We may notify the appropriate state officials of our determination, as required by IRC Section 6104(c), by sending them a copy of this final letter along with the proposed determination letter.

You must file the federal income tax forms for the tax years shown above within **30 days** from the date of this letter unless you request an extension of time to file. For further instructions, forms, and information, visit www.irs.gov.

We'll make this final adverse determination letter and the proposed adverse determination letter available for public inspection after deleting certain identifying information, as required by IRC Section 6110. Read the enclosed Letter 437, Notice of Intention to Disclose - Rulings, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in the Letter 437 on how to notify us. If you agree with our deletions, you don't need to take any further action.

If you have questions about this letter, you can call the contact person shown above. If you have questions about your federal income tax status and responsibilities, call our customer service number at 800-829-1040 (TTY 800-829-4933 for deaf or hard of hearing) or customer service for businesses at 800-829-4933.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

Enclosures:

Letter 437

Redacted Letter 4034

Redacted Letter 4038

cc:



Department of the Treasury
Internal Revenue Service

Date:
12/18/2025
Employer ID number:

Person to contact:
Name:
ID number:
Telephone:
Fax:

Legend:

B = State
C = Date
D = Date
E = Group 1
F = Group 2
G = City
H = Group 3
J = Group 4

UIL:

501.03-00
501.03-05
501.35-00
501.36-00

Dear _____ :

We considered your application for recognition of exemption from federal income tax under Internal Revenue Code (IRC) Section 501(a). We determined that you don't qualify for exemption under IRC Section 501(c)(3). This letter explains the reasons for our conclusion. Please keep it for your records.

Issues

Do you qualify for exemption under IRC Section 501(c)(3)? No, for the reasons stated below.

Facts

You are incorporated on date C as a nonprofit mutual-benefit corporation with state B. Your Articles of Incorporation's Purpose Statement, before it was amended, stated "This corporation is a Nonprofit Mutual Benefit Corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity other than credit union business, for which a corporation may be organized under such law." The Additional Statements section in your Articles of Incorporation stated "The specific purpose of this corporation is to promote commerce and cultural exchange. Notwithstanding any of the above statements of purpose and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation."

On D, you amended your Articles of Incorporation to change from a nonprofit mutual benefit corporation to a nonprofit public benefit corporation and you also amended your Purpose Statement to meet the organizational test under IRC Section 501(c)(3). The Additional Statements section in your Articles of Incorporation was not amended.

Your Bylaws state in part that “The Corporation/Organization shall be operated exclusively for/to we serve as a connection point for the [E] business community and promote networking opportunities and resources for our individual and corporate members organized events. [W]e [sic] provide a forum for the [F] people and greater [G] business communities to discuss issues that impact and are relevant to both groups.”

In your application, you said that you organize “charitable community events and culture exchange forums to promote the [H] folk, local culture, and strengthen inter-ethnic relations for all [E] people and [F] people in the greater G area. Events will be mainly conducted by volunteers. Activities will be conducted in local attractions and community centers. Officers will donate more than half of the time to the activity. Funds will be through donations. The activity will bring more recognition of H folk and local culture and strengthen community life.

In your response to our request for additional information, you stated that you “provide resources and support to local businesses by organizing networking and community event, such as business development assistance and referral to local services.” You stated your services are “open to businesses of all sizes and industries and the activities typically involve local businesses, entrepreneurs and community members.”

In a response to another request for additional information, you stated that:

We help businesses with little or no J cultural background to connect with the local community by offering a range of supports. These include cultural orientation, networking events, community integration projects. We organize events to educate business owners about local business practices and regulatory requirements. Additionally, we facilitate partnership between these businesses and local organizations, helping them build relationships and foster collaborations with local nonprofits, government agencies, healthcare providers, educational institutions, legal service, and social service organizations. Our goal is to bridge cultural gaps and promote a more inclusive and supportive community environment.

You also stated that your “activities are carefully designed to further your exempt purpose by promoting economic growth, supporting and bridging businesses and enhancing the overall well-being of your local community.” You organize events to bridge cultural gaps and promote inclusivity such as hosting charitable events.

You conduct business development activities by collaborating with for-profit entities to support and bridge businesses with local organizations through sponsorships and joint events, and that you work together with for-profit entities on resource sharing for specific projects to enhance community integration and mutual support.

You select entities based on their alignment with your mission, community impact, and ethical standards. You evaluate your partners by reviewing their track record in community engagement, the relevance and effectiveness of their programs or services, and their reputation for ethical business practices. You provide referrals to your participants to local nonprofits, government agencies, healthcare providers, educational institutions, legal service, and social organizations.

In response to our latest request for additional information, you stated you provide the US-based business support services to entrepreneurs of all backgrounds, including H professionals establishing businesses in America. You stated that you are happy to help all qualified entrepreneurs pursuing lawful business opportunities in the US, with membership open to professionals from any national or background who share your mission of fostering ethical business growth and community development. The services you provide are as follows:

1. Professional Referral Network – connect members with licensed local professionals (attorneys, CPAs, business consultants); host workshops on US business compliance (LLC formation, employment law, tax obligation).
2. Business Development Programs – organize networking mixers for diverse entrepreneurs; facilitate connections between members and local vendors/suppliers; and provide market entry guidance for immigrant business owners.
3. Educational Resources – distribute materials on securing business licenses/permits; offer templates for standard US business documents; and conduct seminars on cross-cultural business practices.

You said you plan to host a technology adoption workshop to help members leverage AI tool for small business operations and e-commerce platform integration. Additionally, you plan to offer business language coaching to enhance professional communication skills. You state these programs are designed to strengthen members' competitiveness in the US market.

Law

IRC Section 501(c)(3) provides, in part, for the exemption from federal income tax of corporations organized and operated exclusively for charitable, scientific, or educational purposes, provided no part of the organization's net earnings inures to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.501(c)(3)-1(a)-1 provides that in order to be exempt as an organization described in IRC Section 501(c)(3), the organization must be one that is both organized and operated exclusively for one or more of the purposes specified in that section. An organization that fails to meet either the organizational or operational test is not exempt.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in IRC Section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Treasury Regulation Section 1.501(c)(3)-1(d)(2) provides that the term "charitable" is used in IRC Section 501(c)(3) in its generally accepted legal sense and includes lessening the burdens of government.

Revenue Ruling 69-545, 1969-2 C.B. 117, discussed examples that illustrate whether a nonprofit hospital claiming exemption under IRC Section 501(c)(3) is operated to serve a public rather than a private interest. The articles of organization of both hospitals meet the organizational requirements of Treas. Reg. Section 1.501(c)(3)-1(b) including the limitation of the organizations' purposes to those described in Section 501(c)(3) and the dedication of their assets to such purposes. The hospital has continued to operate for the private benefit of its original owners who exercise control over the hospital through the board of trustees and the medical

committee. Accordingly, it is held that Hospital B does not qualify for exemption from federal income tax under Section 501(c)(3).

Rev. Rul. 77-111, 1977-1 C.B. 144, found that an organization formed to increase business patronage in a deteriorated area by providing information on the area's shopping opportunities, local transportation, and accommodations is not operated exclusively for charitable purposes and does not qualify for exemption under IRC Section 501(c)(3). Similarly, an organization whose purpose is to revive retail sales in an area of economic decline by constructing a shopping center does not qualify for exemption.

In Better Business Bureau of Washington D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly exempt purposes.

Application of law

You fail the operational test for IRC Section 501(c)(3) because you have a more than insubstantial non-exempt purpose of benefitting for-profit businesses. Your activity is to promote your members' overall businesses. Your Bylaws states that you shall be a connection point for E business community and promote networking opportunities and resources for your individual or business members. This shows that you operate in the same manner as a for-profit business.

You fail the operational test as described in Treasury Regulations Section 1.501(c)(3)-1(a)(1). You are not exclusively conducting activities which are in furtherance of IRC Section 501(c)(3). You provide resources and support to local businesses by organizing networking and community events such business development assistance and referral to local business services.

Treas. Reg. Section 1.501(c)(3)-1(c)(1) provides that an organization will be regarded as "operated exclusively" for one or more purposes specified in IRC Section 501(c)(3) if it engages primarily in activities which accomplished one or more of such exempt purposes specified in Section 501(c)(3). You fail to provide sufficient evidence that the US-based businesses support services to entrepreneurs furthers an exempt purpose.

Treas. Reg. Section 1.501(c)(3)-1(d)(2) provides that the term "charitable" is used in IRC Section 501(c)(3) in its generally accepted legal sense and includes lessening the burdens of government. You are not operating for a charitable purpose, and you are not serving a charitable class because you are promoting members and members businesses by organizing business mixers for diverse entrepreneurs and connecting your members with licensed professionals.

You are like the organization in Rev. Rul. 69-545 in that you promote you members' and their businesses, and you assist them in connecting with for-profit entities.

You organize business mixers and networking events for your members so they can meet and connect with other businesses to improve and advance their businesses. You are similar to the organization in Rev. Rul. 77-111 in that you assist your members by providing resources and support through your workshops, networking opportunities, business development programs, business mixers, and by connecting members with licensed local professionals which prevents you from exemption under IRC Section 501(c)(3).

You are similar to the organization in Better Business Bureau of Washington D.C., Inc. in that you have a single non-exempt purpose, which is substantial in nature. This substantial non-exempt purpose of benefiting for-profit businesses will destroy your exemption regardless of the number or importance of truly exempt purposes.

Conclusion

You do not meet the operational test because your networking activities promote the businesses of your members. Accordingly, we conclude you do not qualify for exemption under IRC Section 501(c)(3).

If you agree

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

If you don't agree

You have a right to protest if you don't agree with our proposed adverse determination. To do so, send us a protest within 30 days of the date of this letter. You must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A statement of the facts, law, and arguments supporting your position
- A statement indicating whether you are requesting an Appeals Office conference
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization or your authorized representative
- The following declaration:

For an officer, director, trustee, or other official who is authorized to sign for the organization:
Under penalties of perjury, I declare that I have examined this request, or this modification to the request, including accompanying documents, and to the best of my knowledge and belief, the request or the modification contains all relevant facts relating to the request, and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, Power of Attorney and Declaration of Representative, with us if they haven't already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney.

We'll review your protest statement and decide if you gave us a basis to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't given us a basis for reconsideration, we'll send your case to the Appeals Office and notify you. You can find more information in Publication 892, How to Appeal an IRS Determination on Tax-Exempt Status.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court later because the law requires that you use the IRC administrative process first (IRC Section 7428(b)(2)).

Where to send your protest

Send your protest, Form 2848, if applicable, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service
EO Determinations Quality Assurance
Mail Stop 6403
PO Box 2508
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Mail Stop 6403
Cincinnati, OH 45202

You can also fax your protest and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that they received it.

You can get the forms and publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676). If you have questions, you can contact the person listed at the top of this letter.

Contacting the Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or if you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit www.taxpayeradvocate.irs.gov or call 877-777-4778.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements