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“Public Interest Corporation” A Proposed Legal Framework for a Social Entrepreneurship Entity in Malaysia

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Abstract
Social entrepreneurship is one of the mechanisms to overcome social or community’s economic issues. In the United Kingdom, an interesting business entity known as community interest company (CIC) was introduced in 2005 to inculcate and promote social entrepreneurship among the people. CIC was introduced to address lack of vehicle to carry out non-charitable social enterprises. In CIC, the company’s assets are “locked” and could only be used for its social objectives.

In Malaysia the community is generally family-knit and close-community. As such, having a business entity which is established for the purpose of the community interest would be a good and appropriate alternative business vehicle. This paper discuss the possibility of introducing a new “Public Interest Corporation (PIC)” in Malaysia which could be used to carry out business activities to gain profit but with a clear objective that profits of the business shall be used for the public interest. Discussion of this paper made special reference to the UK CIC as the model for the PIC. Research methodology adopted in this paper are statutory and doctrinal analysis.

Keywords: Social Entrepreneurship, Public Interest Corporation

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