

**Arab Republic of Egypt**

**Prime Minister**

**Resolution of the Prime Minister**

**On**

**Draft Law Regulating the Exercise of Civil Work**

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**The Prime Minister:**

**Upon review of the Constitution;**

The Penal Code;

The Civil Code;

Law of Criminal Procedures;

Law of Civil and Commercial Proceedings;

Law No. 42 of 1967 on Delegation of Powers;

Law No. 25 of 1968 on Evidence in Civil and Commercial Matters;

Law No. 91 of 1971 on Granting the Minister of War the Powers of the Minister of Social Affairs  
under Law No. 32 of 1964 on Associations and Foundations of Veterans;

Judicial Authority Law No. 46 of 1972;

Council of State Law No. 47 of 1972;

Accountability State Authority Law No. 144 of 1988;

Capital Market Law No. 95 of 1992;

Law on Anti-Money Laundering No. 80 of 2002;

Labor Law No. 12 of 2002;

Law on Central Bank and the Banking and Monetary Apparatus No. 88 of 2003;

Law on the Development of Small Enterprises No. 141 of 2004;

Law No. 10 of 2009 on Regulating Financial Non-Banking Markets and Tools;

Law No. 141 of 2014 on Regulating Micro Finance Activities;

Law No. 8 of 2015 on Regulating Lists of Terrorist Entities and Individuals;

Law on Counter-Terrorism No. 94 of 2015;

Civil Service Law No. 81 of 2016;

Law No. 70 of 2017 Regulating the Operation of Associations and Other Civil Work Foundations;

Law No. 10 of 2018 on the Rights of People with Disabilities;

Law No. 176 of 2018 on Finance Leasing and Discount Activities;

And following the approval of the Council of Ministers:

## **RESOLVES**

### **The following Draft Law, to be presented to the Parliament:**

#### **Article One**

In consideration of the regulations of associations established by law or in accordance with international agreements concluded by the Arab Republic of Egypt, and without prejudice to the provisions of Law No. 91 of 1971, Law No. 10 of 2009, and laws regulating non-banking financial activities, the provisions of this Law shall apply to civil work.

All associations and civil foundations, regional and foreign non-governmental organizations, and unions operating in this field undertake to respect the provisions and principles of the Constitution, Egyptian laws and international agreements ratified by Egypt in their articles of association, activities, and funding.

Provisions of this Law shall apply to associations and civil foundations, regional and foreign non-governmental organizations and unions operating in this field. Any civic activity in violation to the provisions of this Law and the enclosed law shall be prohibited.

#### **Article Two**

All associations and civil foundations, unions, regional and foreign non-governmental organizations, and entities undertaking civil work, as defined in this Law, shall rectify their status pursuant to this Law within one year from the date in which the Executive Regulations of the enclosed law enter into force. Otherwise, the Competent Court shall order their dissolution. The funds of these entities shall be transferred to the Civil Associations and Foundations Support Fund, defined in the enclosed law. Any violation of the provisions of this Article shall be ceased by the force of law.

The rectification of the status of these entities shall be by notifying the competent ministry of all the data of the association, civil foundation, union, organization, or entity; their activities, their funding sources, their programs, their protocols and memoranda of understanding. This notification shall be using the form

prepared for that purpose. The bylaws of such entities shall also be amended to conform with the regulations and provisions of this Law and the enclosed law.

In all cases, it is impermissible to rectify the status of associations and civil foundations and entities listed as terrorist entities or ruled to have engaged in a terrorism crime. The activities of the latter entities that are in line with the provisions of this Law shall be overseen by another association identified by the ministry responsible for civil associations and works. Funds of civil associations, foundations and entities listed as terrorist organizations are transferred to the Civil Associations and Foundations Support Fund, described in the enclosed law, in case a final ruling confirming such listing of these entities is issued.

### **Article Three**

The Administrative Body shall prepare a list of the entities that have not rectified their status in accordance with the provisions of the enclosed law. The minister responsible for civil associations and works shall form one or more committees comprising the staff of the Administrative Body and others. The membership of such committee(s) shall include a representative of the governorate where the entity is based. The committee(s) shall dissolve these entities upon the issuance of a judicial order. The resolution shall specify the bylaws and period of work of these committee(s).

### **Article Four**

It shall be prohibited for any entity to perform any civil work or any activity which falls within the scope of work of associations and other civil society entities unless in compliance with the provisions of the enclosed law.

Entities undertaking licensed activities, other than civil activities, that perform civil activities that fall within the purposes of civil associations must rectify their statuses as soon as the Executive Regulations of the enclosed law come into effect or as soon as notified by the ministry responsible for civil associations and works, whichever is earlier. Otherwise, the ministry shall issue a decision to immediately suspend the activity in violation, and shall notify the entity that issued the original license or at which the violating entity is registered of this violation. The latter shall terminate the original license and take any legal actions expeditiously in accordance with the regulations of such entities.

No entity, other than the competent Administrative Body pursuant to the enclosed law, shall, in any form or capacity, license any activity of the activities of civil entities provided for in the enclosed law. Such a license shall be void and invalid *ab initio* and may not bear any legal effect.

The Administrative Body shall have the right to close the premises of any entities performing any civil activities without obtaining a license or a permit, if such activities fall within the purposes of civil society entities. The Competent Administrative Court shall order by a ruling that the concerned activity be ceased by the force of law and funds be transferred to the Civil Associations and Foundations Support Fund.

### **Article Five**

In case the licensing entity does not terminate the license or permit of the violating entity, the ministry responsible for civil associations and works shall be entitled to bring a claim before the competent administrative court seeking an expedited ruling to dissolve the violating entity.

### **Article Six**

Without prejudice to provisions of Law No. 8 of 2015 on Regulating Lists of Terrorist Entities and Individuals, the boards of directors and executive and administrative bodies of civil associations, foundations and unions, established pursuant to the provisions of the enclosed law, shall continue to operate until are re-formed according to its provisions.

**Article Seven**

The Prime Minister shall issue the Executive Regulations of the enclosed law within six months as of the date of its promulgation. Until the issuance of such Regulations, the current Executive Regulations and resolutions shall remain in effect notwithstanding the provisions of this Law and the enclosed law.

**Article Eight**

Law No. 70 of 2017 on Civil Associations and Foundations is hereby abolished as well as any provision that contradicts with the provisions of the enclosed law.

**Article Nine**

This Law shall be published in the official gazette and shall become effective on the day following its publication.

**Prime Minister**

**Dr. Mustafa Kamal Madboli**

17.06.2019

# Law on Regulating the Exercise of Civil Work

## CHAPTER I

### PURPOSE OF THE LAW AND DEFINITIONS

#### Article 1

The aim of this Law is to regulate the exercise of civil activities in Egypt by promoting the formation of civil associations and foundations, unions, regional and foreign non-governmental organizations licensed to operate in Egypt, and enhancing their role in serving the public interest. This shall be based on the pioneer role of civil society organizations as a key partner to the state in achieving sustainable development plans and goals; enhancing volunteerism; promoting democracy and good governance; and furthering the community of knowledge and information technology.

#### Article 2

In the implementation of the provisions of this Law, the following words and expressions shall have the following meanings:

1. **Civil work:** A work that does not aim at profit and that is undertaken for the development of society.
2. **Association:** An organized group aiming at contributing to the development of individuals and the society; realizing the society demands; maximizing its capacities for participation in the public sphere and sustainable development without aiming at profit. An Association shall be established in accordance with the provisions of this Law and shall be composed of no less than ten natural or legal persons, or both.
3. **Public Benefit Association:** an association that aims at realizing public benefit upon or after its establishment and whose activity is for serving the public and not limited to serving its members only. The public benefit status shall be granted by a decision from the Prime Minister, or whoever is duly delegated.
4. **Civil Foundation:** A legal person established by the allocation of an amount not less than twenty thousand pounds upon establishment by one or more natural or legal persons, or both, for a civil work purpose without aiming at securing any profit or benefit.
5. **Foreign Non-Governmental Organization:** a foreign legal person, whose purpose is not to realize profits and whose main management is located in Egypt or outside, licensed to perform one or more activities of associations and civil foundations subject to the provisions of this Law and the rules established therein.
6. **Central Association:** an association which is established according to the provisions of this Law by a decision from the Competent Minister, or whoever he duly authorizes, and whose articles of association provide for working at the level of the Republic, having a branch or more in more than

one province. The Executive Regulations of this Law shall define any other criteria for the Central Association status.

7. **Regional Union:** a union that enjoys a legal personality, established by no less than fifteen civil associations or foundations, or both, regardless of their activity, and located in one province.
8. **Specialized Union:** a union that enjoys a legal personality, established by at least fifteen members of civil associations or foundations or both that perform or finance similar activities at the level of the Republic.
9. **The General Union:** a legal person that comprises heads of boards of directors of regional and specialized unions providing support and assistance to civil work. The Union shall be located in the Capital of the Arab Republic of Egypt.
10. **Regional Organization:** an existing Egyptian civil association or foundation that is licensed to open branches in one or more countries to perform civil work.
11. **Civil Society Organizations:** not-for-profit legal persons performing activities for the purpose of developing the society in any of the fields specified in their articles of association. These organizations include: Associations, Public Benefit Associations, Civil Foundations, Unions, Regional Organizations, Non-Governmental Organizations licensed to operate in Egypt.
12. **Entity:** any natural or legal person performing civil work of any legal form or name without assuming any of the legal forms prescribed under this Law.
13. **Voluntary work:** every work or activity performed willingly by a volunteer to achieve public benefit without aiming to realize any profits.
14. **Voluntary Entities:** legal persons of civil society organizations and government entities that host volunteers to achieve public benefit.
15. **Competent Court:** The administrative court within the jurisdiction of which the management of the Association is located.
16. **Competent Minister:** The Minister concerned with the affairs of Associations and Civil Work.
17. **Competent Ministry:** The Ministry concerned with the affairs of Associations and Civil Work.
18. **Administrative Entity:** The Ministry concerned with the affairs of Associations, Civil Work, the Central Unit for Associations and Civil Work, and its branch units.
19. **Unit:** The Central Unit for Associations and Civil Work.

## **CHAPTER II**

### **ASSOCIATIONS**

#### **Section One: Establishment of Associations**

#### **Article 3**

A Civil Association is established by serving a notification to the competent Administrative Body. The notification shall be served on the designated template and shall fulfill all required documents provided for in the following articles. An Association acquires a legal personality by a mere notification and every natural or legal person has the right to join or withdraw from the Civil Association per the provisions of this Law. A notification shall not be considered valid and bearing legal effect if it does not fulfill all the required data and documents in accordance with the form prepared for this purpose.

#### **Article 4**

The formation of an Association shall be conditional to having written articles of association that conform to the articles of association template provided by the Executive Regulations. The articles of association shall be signed by all founders. An Association shall also have a proper management center in the Arab Republic of Egypt to manage its activities.

In all cases, the articles of association of every Association shall contain provisions confirming its commitment to respecting the constitution and laws and not breaching national security, public order or public morals.

#### **Article 5**

A founding member of an Association, a member of the board of directors, or a member of the board of trustees, as the case may be, shall be required to fully enjoy his/her civil and political rights; shall not be previously convicted in a conclusive verdict with a criminal penalty or a sanction restricting his/her freedom in a crime or offense that breaches honor or integrity, unless rehabilitated. Such member shall not be listed on terrorist lists.

#### **Article 6**

It shall be permitted for non-Egyptians who have permanent or temporary legal residence in Egypt to join an Association or its board, but they may not exceed 25% of the number of members. The Executive Regulations of this Law shall define the conditions of foreigners' membership in Associations or their boards of directors.

#### **Article 7**

Taking reciprocity into consideration, and with a license from the Competent Minister, it shall be permitted for any foreign community in Egypt to establish an Association that serves the affairs of its members in the manner regulated by the Executive Regulations of this Law.

#### **Article 8**

Articles of association of any Association shall contain the following items:

- a. Address of the Association's management center.
- b. Name of the Association, which should be a unique name derived from its purposes and not creating any confusion with any other Association or Foundation within the same geographic scope or specialization. The name should not be similar to the name of a state institution or an international organization.

- c. The geographic scope and specialization of the Association and its areas of activity.
- d. Purposes, activity nature and goals of the Association and means of achieving these goals.
- e. Name, surname, age, original and acquired nationality (if any), profession, domicile, national identification number or passport number for foreigners, traditional and electronic contact information such as phone number, e-mail address, electronic applications, and others.
- f. Resources of the Association, their utilization and disposal.
- g. The bodies that represent the Association, the competencies of each, the method of selecting their members, dismissal or revocation of membership as well as the quorum for the meetings of these bodies, the validity of their decisions and the means of invitations for informing members.
- h. Membership regulation, conditions, rights and duties of members; especially the right of every member to review the documents of the Association, attending and voting in the general assembly whenever necessary conditions are fulfilled.
- i. Financial and accounting systems and financial control system.
- j. Rules for convening the ordinary and extraordinary general assembly, the invitation process, the validity and location of the meetings. This shall include the rules for the powers of members in these meetings, the issuance of decisions, voting and election mechanisms of members of the board of directors, its powers, the appointment of the auditors and determining their fees.
- k. Rules for amending the Association's articles of association, establishing its branches, events for its termination other than the case of its dissolution by a court order, and entities that shall benefit from its funds in such events, be it the Civil Associations and Foundations Support Fund or another Civil Association or Foundation working in the same field.
- l. Identity of the person who is authorized to apply for the public benefit status.
- m. Rules and conditions for volunteering in the activities of the Association, if any, and the rights, obligations and duties of volunteers.

The Executive Regulations of this Law shall be enclosed with model articles of association for guidance.

## **Article 9**

The Administrative Body, in coordination and cooperation with the concerned entities, shall establish a database in which it lists all Civil Society Organizations subject to the provisions of this Law, their activities, programs, sources of funding, and other necessary matters. Every Civil Society Organization will have a unique number at the national level in the database.

The Administrative Body also undertakes to record summarized versions of the Association's articles of association in the database as of the date of being notified of the intention to establish the Association. This notification has no effect unless accompanied by the following documents:

- a. Four copies of the Association's articles of association signed by all founders.



- b. Two copies of the internal bylaws that regulate the Association's financial and administrative affairs and its workers in accordance with the model bylaws enclosed with the Executive Regulations of this Law.
- c. The criminal status sheet of every founding member and a declaration of non-listing on terrorist lists.
- d. A list of the persons selected for leadership and membership of the first board of directors from the founders.
- e. An official certified document confirming the occupancy of the Association's premises.
- f. A proof of payment of a fee not exceeding five thousand pounds for registering the Association in the registry of the Administrative Body. These fees shall be transferred to the Central Unit of Associations and Civil Work.
- g. The rules and conditions of volunteering in the Association's activities, if any, in addition to the rights and duties of volunteers and means of their protection.
- h. Identity of the representative of the founders in the establishment procedures.
- i. The website of the Association and its email address, if applicable.
- j. A written consent from the entity after which the founders wish to name the Association.

The Executive Regulations shall list any other documents that must be provided.

#### **Article 10**

The Administrative Body shall provide the person requesting the establishment of the Association a receipt that proves receipt of notification. The receipt shall state the hour and date of receiving the notification and the person that received it. The notification shall not be rejected unless it does not fulfill the data, information, and documents required.

If the Administrative Body finds, within 60 working days from the date of notification, that the purposes of the Association contain an activity that violates the Constitution; a prohibited or penalized activity pursuant to the Penal Code or any other law; or that the data and enclosures of the notification are incomplete or unauthentic, it shall suspend the violating activity or entry by a justified decision. Such decision shall be notified to the representative of the founders via a registered letter with receipt confirmation or by any other means as provided for in the Association's articles of association to take necessary actions.

In this case, the representative of the founders may correct the mistake, complete the missing data or appeal this decision before the Competent Court within sixty working days of the date of notification.

#### **Article 11**

The Administrative Body undertakes to register the association in the register and take any necessary actions to publish the summarized articles of association on the official website of the Administrative Body on the worldwide web (internet) after completing the notification process in accordance with the provisions of Articles 3 and 10.

The Association, upon affirmation of its legal personality, may publish its summary articles of association, approved by the Administrative Body, on its website, if applicable, and in the Egyptian Official Gazette.

The Administrative Body shall issue a letter to any bank under the oversight of the Central Bank of Egypt to open a bank account for the Association using its registered name.

As an exception from Articles 97 and 98 of the Law on Central Bank and the Banking and Monetary Apparatus No. 88 of 2003, the Administrative Body may request the Attorney General to obligate banks having accounts for Civil Society Organizations or Entities to disclose information about these accounts, or about the Organization's or Entity's deposits and safes, as the case may be.

#### **Article 12**

Any concerned person may review the summarized articles of association and obtain a certified copy thereof from the Administrative Body against a fee not exceeding five hundred pounds. These fees go to the Central Unit of Associations and Civil Work.

#### **Article 13**

For amending the articles of association of an association, the same procedures for the establishment under this Chapter shall be followed.

#### **Article 14**

The Administrative Body may license Egyptian natural or legal persons, or both, to launch or implement an initiative or campaign for a certain activity of the licensed activities for Associations under this Law provided that the duration of implementation of this initiative or campaign does not exceed one calendar year, renewable. The Executive Regulations of this Law shall prescribe the documents to be presented to the Administrative Body to obtain the license and the applicable rules for the implementation of this activity.

### **Section Two:**

#### **Purposes, Rights, and Obligations of Associations**

#### **Article 15**

Associations shall exclusively work in the fields of societal development defined in their articles of association with consideration of the development plans of the state and the needs of the community.

In case Associations wish to perform activities in border areas defined by a resolution from the Prime Minister, they must obtain a permit to perform these works from the Administrative Body after consulting with the concerned governor and receiving the approval of the concerned entities as prescribed in the Executive Regulations.

#### **Article 16**

It shall be prohibited for any Association to:

- a. Perform any activities contradictory to the notified purposes of the Association.

- b. Undertake a political, partisan or union activity that is regulated by other laws, or the use of the Association's premises for such activity,
- c. Form brigades or formations of military or quasi-military nature; the advocacy, promotion, support or financing of violence or terrorist organizations.
- d. Perform activities that violate public order, public morals, national unity or national security.
- e. Call for discrimination between citizens on the bases of sex, race, color, language, religion or belief, or any other activity promoting racism, incitement of hatred or any other causes that violate the Constitution and law.
- f. Participate in funding, supporting or promoting parties and electoral campaigns for any candidate in elections or referenda or the nomination of any candidate in elections in the name of the Association.
- g. Grant any scientific or professional certificates without a license from the Administrative Body or concerned entities, or without official partnership with a specialized university or entity in accordance with the relevant rules issued by the Supreme Council of Universities.
- h. Perform any activities that require a license from a government entity before obtaining such license.
- i. Target the realization of any profit for the members of the Association or perform any activities leading to this result. Following commercial practices to realize profits assisting in the purposes of the Association shall not be considered as a violating activity.
- j. Conduct opinion polls and publish or make their results available. Conduct field researches or disclose their results before presenting them for the approval of the Central Agency for Public Mobilization and Statistics to ensure the integrity and neutrality of the polls and their relevance to the activity of the Association.
- k. Conclude any agreements of any kind with any foreign entity inside or outside the country or any amendments thereof before obtaining the approval of the Administrative Body .

#### **Article 17**

Without prejudice to the provisions on secondment set forth in the Civil Service Law No. 81 of 2016 and its Executive Regulations, it is impermissible to second workers of the Competent Ministry, its directorates and its social units or other public entities responsible for supervising, guiding, or funding Associations, to work in Associations and Civil Foundations that are subject to this Law. This prohibition excludes the following:

- 1. Public benefit organizations.
- 2. Civil associations or foundations established by government ministries or entities.

#### **Article 18**

Without prejudice to any other privileges provided for in other laws, Associations, Civil Foundations and Unions established pursuant to the provision of this law shall enjoy the following benefits:

- a. Exemption from registration and entry fees due on the Association with regard to all contracts that the Association is party to, such as property and mortgage contracts or any other in-kind rights, as well as exemption from signature endorsement fees.
- b. Exemption from current taxes and stamp duties, currently imposed or those that may be imposed in the future, on all contracts, powers of attorney, documents, printed materials, registers...etc.
- c. Exemptions for built properties owned by the Association from real-estate tax. The right of Association to own properties is limited to properties serving its purposes. The relevant activity may not be changed unless with the approval of the Competent Minister.
- d. Donations granted to Associations are deducted from the taxable income of the donor in a percentage not to exceed 10% of the donor's net income.
- e. Exemption from payment of custom duties and other charges and levies on all imported tools, machines, devices, equipment, production requirements and vehicles that are necessary for its activities as well as on all gifts and donations it received from abroad. This exemption is granted by a decision from the Prime Minister based on a recommendation from the Competent Minister and the Minister of Finance. It is a condition that these items are required for the main activity of the Association.

It is prohibited to dispose fixed assets, defined by the Competent Minister in agreement with the Minister of Finance, before the elapse of five years unless due custom duties and fees are paid.

- f. The consumption of water, electricity and natural gas shall be enjoy the same treatment as private houses, provided that a certificate from the Competent Ministry is produced confirming that no commercial activity is being practiced.

### **Article 19**

Every member has the right to withdraw from the Association at any time provided that the Association is notified by a receipt-acknowledged letter or any other means provided for in the articles of association. This shall not prejudice the right of the Association to claim any funds of any nature due on the member.

A member who withdraws from an Association has the right to retract his decision to withdraw within 15 working days from the date of notifying the Association. The Executive Regulations of the Law shall define the procedures and rules for membership withdrawal.

### **Article 20**

An Association may join, affiliate, participate or cooperate with any local Association, Entity or Organization to perform a civil activity that is not contradictory to the purposes of the Association after informing the Administrative Body thereof.

An association may also join, affiliate, participate or cooperate, in any other form in performing a civil activity not contradictory to its purposes, with any Foreign Association, Entity or Organization on the condition that it receives a permit from the Administrative Body upon the submission of a request to this

end. To permit the accession, affiliation, participation or dealing with a Foreign Organization, the approval of the Competent Minister is required.

The Executive Regulations shall define the terms of such accession, affiliation, partnership or cooperation with the local or foreign Entity and the contents of the notification in terms of data and documents.

#### **Article 21**

An Association shall be entitled to open branches outside the Arab Republic of Egypt following the conditions prescribed in the Executive Regulations of this Law on the condition that it obtains a permit from the Competent Minister upon the submission of a request to this end. The Administrative Body informs the Ministry of Foreign Affairs to further inform the embassy of the Arab Republic of Egypt or the representative of Egypt in the concerned country.

In this case, the provisions related to Regional Organizations shall apply to the Association branch abroad.

#### **Article 22**

Without prejudice to Article 20, an Association shall have the right to open branches or offices in any province of the Republic for conducting and implementing its various activities in addition to its head office after notifying the Administrative Body indicating the address of this office, its main activity, the person in charge, the implementation period, and workers in it.

Employees of the Administrative Body in the province where this office is located shall assume the functions provided in this Law for the activities implemented within their jurisdiction. This shall not prevent the Administrative Body responsible for the Association from exercising the powers authorized to it pursuant to this Law.

#### **Article 23**

An Association or any other Entity shall not establish shelters for children, elderly people, chronic patients, others in need for social care or those of special needs unless a prior permit is issued from the relevant entity.

The Administrative Body shall have the right to revoke the permit if the Association violates the permit's conditions and appoint a temporary committee to administer the violating activity.

The Executive Regulations of this Law shall define the rules and procedures for granting the permit, its revocation, the method of forming the temporary committee to administer the violating activity and the criteria for selecting its members.

#### **Article 24**

Without prejudice to provisions of paragraphs 3 and 4 of Article 11, an Association shall open a bank account in one of the banks subject to the control of the Central Bank. The same Association may have several accounts for its activities in the same bank. An Association shall also make sure that all expenditures are for the Association's purposes and that any receipt of funding is processed exclusively through these accounts.

If the total annual revenues or expenditures of the Association exceed five million pounds, the Association shall have the right to open accounts in other banks after obtaining an approval of the Administrative Body.

Funds of Associations are treated as public funds and are subject to the provisions of Section IV of Chapter II of the Penal Code.

#### **Article 25**

Without prejudice to the provisions of the counter-terrorism and anti-money laundering laws, and to achieve its purposes and financial sustainability, an Association shall be entitled to receive cash funds or collect donations inside the Republic from Egyptian natural or legal persons or from Foreign Non-Governmental Organizations licensed to operate inside Egypt in accordance with the provisions of this Law. These funds shall be exclusively deposited in its bank account and the Association records shall be marked accordingly. The Association shall allocate and spend these funds for the purposes for which they were raised and shall present periodic statements of account and a technical report on spending and activities. It is a condition to notify the Administrative Body of the receipt of these funds within the deadline provided for in the Executive Regulations. The Executive Regulations shall define the terms and procedures for the receipt of in-kind funds and the maximum limits for cash donations.

#### **Article 26**

With a license from the Administrative Body, an Association shall have the right to raise funds inside the Republic from Egyptian or foreign natural or legal persons licensed to operate inside Egypt in accordance with the provisions of this Law. The permit to raise funds shall be issued before the fundraising activity starts. The Executive Regulations of this Law shall define the rules, procedures and conditions for each fundraising method separately.

#### **Article 27**

Whoever publicly solicits cash or in-kind donations, other than Civil Society Organizations, shall notify the Administrative Body no later than three days before issuing the solicitation and must state the purpose of this solicitation. Disposal of donations resulting from that solicitation shall be impermissible unless a license from the Administrative Body is obtained and after presenting a statement of the total donations collected along with a clarification of disbursement fields and documents. The Executive Regulations of this Law define the rules, procedures and conditions required for licensing the different forms of donation collection.

#### **Article 28**

Without prejudice to the provisions of the counter-terrorism and anti-money laundering laws and notwithstanding Article 25, an Association may accept and receive funds, donations and grants from Egyptian or foreign natural or legal persons from outside the country, or from foreign natural or legal persons inside the country.

It is a condition that these funds are exclusively deposited in the Association's bank account and the Association's records are marked accordingly. The Administrative Body shall be notified within 30 working days from the date of the receipt of funds in the bank account of the Association. The Administrative Body shall have the right to object within sixty working days following the date of notification.

The Association undertakes not to spend donated funds within the sixty working days period. If the Administrative Body does not respond within the stated period, this shall be considered an approval. The Association shall be entitled to send or transfer funds of any kind to persons or organizations abroad after obtaining an approval from the Competent Minister after the submission of a request to this end. This excludes the purchase of books, scientific, technical and artistic bulletins and journals, subscription fees in scientific journals and conferences and obligations related to foreign contracts related to the activities of the Association stated in its articles of association.

The Executive Regulations shall define the rules and procedures for the receipt of these funds, effects of disapprovals and notification procedures, supporting data and documents, and data and documents required after the approval.

### **Article 29**

The Association shall adhere to the standards of transparency, disclosure, the declaration of the sources of its funding, the names of its members, its annual budget and its activities inside its premises, on its website and other means of publication.

The Association shall maintain its documents, letters, registers, notifications, and bank notices and letters in its management center. The Executive Regulations of this Law shall define these registers, their keeping, use, and stamping, as well as the data they shall contain.

The Association shall adhere to the rules of good governance and shall have internal bylaws with chapters covering procurement, financial affairs, human resources and penalties along with a job code of conduct. The Executive Regulations of this Law shall define the good governance rules that the Association shall be required to adhere to.

The Association shall establish a board or a committee to manage the activities of hospitals, schools and others. Every activity shall have separate regulations on finance, human resources, procurement and penalties, or it may be part of the internal bylaws of the Association.

The Association undertakes to allow any of its members to examine its registers and documents whenever the members officially requests that.

The Association shall update its data periodically on the database. This shall include the details of its projects, the cooperation forms it concludes, and its funding entities. The Executive Regulations of this Law shall set the deadlines for the periodic data updating.

### **Article 30**

The Administrative Body shall be entitled to verify the works of Civil Society Organizations without impeding their work. It shall verify that the funding provided to these Entities matches the purposes for which they were allocated. To that end, it shall have the right to take the necessary actions and decisions, as stated in the Executive Regulations of this Law, to rectify any procedures or works that are in violation to the provisions of the Law or its Executive Regulations.

In case of violation of the provisions of Articles 25, 26, and 28, and after serving the due notification to correct any violation, the Competent Minister shall be exclusively entitled to suspend the activity of the Association for a period not exceeding one year. The Administrative Body shall take the necessary

organizational actions to implement the suspension decision in every case or to request the concerned court to order the dissolution of the Association or the Civil Foundation or dismissal of the board of directors or board of trustees, as the case may be. The Administrative Body shall have the right to request the Public Prosecution to issue a restraining order against the board of directors until a court ruling is issued in order to protect the donated funds and to ensure the continued activities of the Association.

### **Article 31**

Representatives of the Administrative Body, nominated by a decision from the Competent Minister, may enter to the offices of any Civil Society Organization or its branches, after notifying it, to provide technical support; monitor its activities; review its records; inspect the administrative, technical and financial aspects of its work to ensure compliance with the provisions of this Law. The Executive Regulations of this Law shall define the conditions for the representatives of the Administrative Body to enter the premises. The Association and its board of directors shall assist the representatives to perform their tasks. If the entry of the representatives of the Administrative Body the premises is pursuant to an official complaint, they have the right to enter without a prior notice.

Activities performed by other legal persons, regardless of their legal form, that fall within the purposes and fields of work of Associations shall be subject to the monitoring of the Administrative Body. This is so even if such legal persons do not follow the establishment procedures contained in this Law. Such legal persons shall be required to correct their statuses accordingly.

### **Article 32**

Every Association shall have an annual budget that starts at the start of the fiscal year of the state and ends at the end of it. Accounts shall be recorded in regular books elaborating in details its revenues; expenditures including donations, grants, and other funding means; and their sources.

If the total annual revenues or expenditures of the Association exceed one hundred thousand pounds, the board of directors shall present its final accounts to a chartered accountant, listed on the roster of auditors and accountants, for examination and submission of a report thereon.

In all cases, the final accounts shall be published on the official website of the Association and the website of the Competent Ministry no less than seven days before the convention of the general assembly and shall also be distributed to Association members as prescribed in the articles of association. The Administrative Body shall be notified in order to attend or to follow-up.

The Administrative Body shall have the right to object to the final accounts and request that they are corrected within fifteen working days. Otherwise, the Administrative Body may take actions provided for in this Law.

### **Article 33**

The Association shall undertake to deposit its cash monies in its bank account under its registered name. The Administrative Body shall be notified by the numbers of these bank accounts. Disbursement from these accounts shall only be done under the signature of the chairman and the treasurer or the authorized members of the board of directors based on a resolution from the board of directors issued in accordance



with the articles of association. The Association shall notify the Administrative Body by the names of authorized signatories.

#### **Article 34**

The Association undertakes to spend its funds for fulfilling its purposes. The Association shall have be entitled to invest the surplus of its revenues to secure appropriate financial resources in support of its activities. It shall have the right to reuse the funds in productive or service projects to support its activities in accordance with the Executive Regulations. In all cases, Associations shall not be allowed to engage in financial speculations. Associations shall be allowed to maintain foreign currency received in their accounts and may dispose these funds in accordance with this Law and the relevant Central Bank rules.

An Association shall have the right to establish or contribute to the establishment of charitable companies and investment funds related to its activities. This is for the purpose of undertaking secure investments and investing returns for the purpose of ensuring financial sustainability of its activities. This shall be allowed upon obtaining an approval from the Competent Minister. This shall be without prejudice to the obligations prescribed on founders of these companies or funds in any other laws.

#### **Article 35**

In cases where the Association issues a decision considered by the Administrative Body as violating this Law or the articles of association, the Administrative Body may request the Association, via a registered letter with receipt confirmation, to withdraw the decision within thirty working days from the date of notification. The Administrative Body shall include the justifications for such decision. The Association may provide clarifications to the Administrative Body with supporting documents within the following seven working days. If this period elapses without withdrawing the decision or if the Administrative Body, after hearing the Association clarifications, concludes that the violation of the Law or the articles of association is evident, then the Administrative Body may take the actions set forth in this Law based on the gravity and type of violation. The decision of the Administrative Body shall be considered valid to the extent required to remove the violation. The Association may appeal against the decision in accordance with the customary procedures.

#### **Article 36**

An Association may perform various financial non-banking activities as required for its activities after obtaining an approval from the Financial Regulatory Authority and notifying the Administrative Body using the specified form annexed to the Executive Regulations.

### **Section Three: Bodies of the Association**

#### **First: The General Assembly**

#### **Article 37**

The general assembly is formed of all operating members who spent no less than ninety days in membership and fulfilled all their obligations pursuant to the Association's articles of association.

The Association's articles of association shall define the procedures of holding ordinary and extraordinary meetings of the general assembly; the mechanism of inviting to these meetings; the meeting validity and

place; the power of members in both types of meetings in issuing and voting on decisions; the election of members of the board of directors; defining their powers; the appointment of auditors and setting their fees. In this regard, the Association shall send to the Administrative Body copies of the minutes of meetings, decisions and all amendments made to the formation of the board of directors and the articles of association. The Auditor shall send his/her comments and report to the Administrative Body.

## **Second: Board of Directors**

### **Article 38**

Each Association shall have a board of directors composing of an odd number of members not less than five and not more than fifteen pursuant to the articles of association. Members shall be elected by the general assembly for a term of four years. The first board of directors shall be appointed by the founders for a term of no more than four years.

### **Article 39**

The board of directors shall display the names of candidates for membership of the board of directors in the Association premises on the second day following the closure of the nomination period. The Administrative Body shall be notified within the seven following days but sixty days at least before the elections date.

The Administrative Body, and whoever concerned, may notify the Association within fifteen days following the display or notification of the list, as the case may be, of any objection on members not meeting the conditions. If the concerned candidate does not withdraw nomination within fifteen days of the notification to the Association, the Administrative Body shall issue a decision removing this person. The removed person, or whoever concerned, may submit a claim before the Competent Court within seven days following the issuance of this decision. The court shall decide on the case before the date of the elections on urgency basis.

### **Article 40**

It shall be prohibited to combine between membership of the board of directors and working in the Administrative Body or any other public entities supervising, guiding or monitoring the Association and its funding unless permitted by the Prime Minister, or any other person authorized by the Prime Minister, for reasons related to the public interest. This prohibition shall not apply to Associations whose membership is limited to those working in any of the aforementioned entities. It shall also be prohibited to combine membership of the board of directors and paid work in the Association or any of its activities or projects.

### **Article 41**

The board of directors of an Association shall manage its affairs as defined in the Associations' articles of association. The article of association shall define the competencies of the chairman, the deputy chairman, the treasurer and the secretary general of the Association. The chairman is the person representing the Association before judiciary and third parties. The board of directors, for the management of the Association's affairs, may conduct any works except the activities indicated in this Law or the articles of association as activities requiring the prior approval of the general assembly. The board of directors may appoint a general manager for the Association, who may not be a member of the board. The Association's

manager shall fully enjoy his/her civil and political rights; shall not be previously convicted in a conclusive verdict with a criminal penalty or a sanction restricting his/her freedom in a crime or offense that breaches honor or integrity, unless rehabilitated. Such manager shall not be listed on terrorist lists.

#### **Article 42**

The articles of association of the Association shall define the procedures of holding its meetings, valid legal quorum, its agenda and the voting mechanism in it. The board of directors shall meet at least once every three months. In case a member is absent, for more than half the meetings convened by the board in one year's time, the member shall be considered as having resigned and shall be notified by this via a registered letter with receipt acknowledgement.

#### **Article 43**

Decisions of the board of directors shall be passed by the consent of the absolute majority of present members unless the articles of association provide for a larger majority. If votes are equal, the chairman shall have a casting vote. The board of directors shall notify the Administrative Body of decisions passed by it or the general assembly within fifteen working days of issuance.

#### **Article 44**

A board member may be reimbursed for actual transportation costs to attend sessions and committees as prescribed in the articles of association of the Association.

#### **Article 45**

Subject to the articles of association of the Association, if the number of members of the board of directors becomes insufficient for it to be validly convened, then the Competent Minister may, when necessary, appoint a temporary board from amongst the remaining members or others. The temporary board shall have the competencies of the board of directors. The temporary board of directors shall invite the general assembly to convene within one year as of the date of appointment to elect a new board of directors. The mission of the temporary board ends with the election of a new board of directors.

### **Section Four: Suspension of Associations' Activities and Dissolution of Associations and Their Boards**

#### **Article 46**

The Competent Minister may issue a temporary decision suspending the Association and closing its offices for no more than one year in any of the following cases:

- a. Registration data is not true.
- b. The performing of activities not stated in the articles of association or not licensed.
- c. Moving to new premises without notifying the Administrative Body within no more than three months of the date of moving.
- d. Violating the provisions of Articles 11, 14, 15, 16, 21, 22, 23, 24 and 29 of this Law.

The Administrative Body shall request from the Competent Court, within 7 working days from the date of issuing the suspension decision, to support that decision. The Court must decide in this request on urgent basis.

If the Administrative Body does not request the Competent Court within above period to support its suspension decision, the legal effect of the decision shall expire.

In all cases, those responsible for the management of the Association may not use its funds during the suspension period. The Administrative Entity shall appoint an officer to run the Association during this period as stated in the Executive Regulations of this Law.

#### **Article 47**

An Association may be dissolved by a decision of the extraordinary general assembly following the approved rules in its articles of association. The dissolution decision shall provide for the appointment of one or more liquidators from the list of certified accounting offices. The resolution shall define the period of liquidation and the liquidator's fees. The Administrative Body shall be notified.

#### **Article 48**

Based on a request from the Administrative Body or whoever concerned, the Competent Court may rule for dissolving the board of directors of an Association in any of the following cases:

- a. If the Association receives funds from a foreign Entity or sends funds to a foreign entity in violation of Article 28.
- b. If the board of directors of the Association commits the crime of dispelling the Association funds or any other crime provided for in Section IV of Chapter II of the Penal Code.
- c. If the Association collects donations or obtains funds in violation of Articles 25 and 26.
- d. If the general assembly does not convene for two consecutive years for reasons attributed to the board of directors.
- e. If the Administrative Body is not enabled of monitoring and examining the activities of the Association in accordance with Article 31.
- f. If the Association executes a cooperation agreement of whatever nature with a foreign organization without obtaining an approval from the Competent Minister.
  - 1) In case the Association does not implement any actual works or new programs within one year from the date of establishment or from the date of last implemented activity.
  - 2) If the Association repeats any of the violations stated in Article 46 (paragraphs b, c, d and e).

The Administrative Body shall appoint a temporary board of directors to invite the general assembly to elect a new board of directors.

#### **Article 49**

The Competent Court shall rule based on a request from the Administrative Body, or whoever concerned, for dissolving the Association and appointing a liquidator of its funds in the following cases:

- a. Not rectifying the status in violation of this Law.

- b. If it is proven that the real purposes of the Association are related to targeting or performing an activity of the activities banned in Articles 15 and 16.
- c. If the Association continues to commit any of the violations stated in the Articles 46 and 48 and refrains from rectifying the error.
- d. Receiving foreign funding without obtaining the necessary permit and the spending of these funds in violation of this Law.
- e. The Association violates the provisions related to the receipt of funds or collection of donations from inside the Republic.
- f. If the Association joins, subscribes or participates in an Association, authority, Foreign Organization, or group in violation of this law.

In all cases, whoever is proven, based on a judicial decision, to have a personal liability in the occurrence of the violations leading to the dissolution of the board of directors per Article 48 of this Law or the dissolution of the Association by the removed members of the board of directors, shall not nominate himself/herself for the membership in the board of directors of another Association or Union or shall not be appointed in the board of trustees in a Civil Foundation for a period of four years as of the date of issuance of the final ruling terminating the board or dissolving the Association.

#### **Article 50**

As an exception from the Council of State Council Law No. 47 of 1972, the Competent Court shall decide on the filed cases mentioned in Articles 48 and 49 on basis of urgency without presenting them to the Egyptian State Lawsuits Authority.

The Competent Minister may temporarily suspend the violating activity and form a committee from the Administrative Body, or others, to administer a specific activity until the issuance of a court ruling.

It shall be impermissible in all cases to license an Association to collect donations, receive foreign funding or receive subsidies from the Associations and Civil Foundation Support Fund, if it has been claimed that such Association or Civil Foundation committed a violation that may result in its dissolution or the removal of the board of directors. This shall be the case until the issuance of a ruling from the Court.

#### **Article 51**

Those responsible for the management of a dissolved Association, whether by decision from the general assembly or by a court ruling, shall handover the funds of the Association and all its documents, records and papers to the liquidator as soon as requested. Those managers, and the entity with whom monies of the Association are deposited, and its debtors shall not make any transactions in the affairs, funds or rights of the Association except upon a written order from the liquidator.

#### **Article 52**

The Executive Regulations define the method of selection of the liquidator, the entity he/she refers to for the performance of his work, the timeframe, and other issues related to his work in the liquidation.

The liquidator, upon conclusion of the liquidation process, shall distribute the Association's funds as stipulated in the articles of association. If the articles of association do not contain such provisions or if it becomes impossible to implement these provisions, the funds shall be given to the Associations and Civil

Foundations Support Fund. The Executive Regulations shall define the terms of the liquidation process, its duration, and the procedures to be followed in case it is not possible to complete this process.

#### **Article 53**

Notwithstanding the jurisdiction of the Competent Court, the first instance court within which the Association premises are located shall decide on claims submitted by or against the liquidator.

#### **Article 54**

It shall be impermissible for members of the dissolved Association, or any other person running its affairs, to continue its activities or dispose its funds.

### **CHAPTER III:**

#### **PUBLIC BENEFIT ASSOCIATIONS**

#### **Article 55**

Public Benefit Associations shall be subject to provisions governing other Associations for any matter not specifically covered in this Chapter.

#### **Article 56**

Any Association aiming to achieve a public interest upon or after its establishment may acquire the public benefit status via a resolution from the Prime Minister, or whoever he/she authorizes, based on a request from the Association in accordance with the terms set forth in the Executive Regulations of this Law. Cancellation of the public benefit status shall be via a resolution from the Prime Minister, or whoever he/she authorizes.

Public Benefit Associations may merge with each other or with Associations not having a public benefit status with an approval from the Administrative Body. Merger between Public Benefit Associations and other Associations not having public benefit status may be conducted only by a resolution from the Prime Minister, or whoever he/she authorizes. The Executive Regulations shall define the terms of this merger.

#### **Article 57**

Through a resolution from the Prime Minister, or whoever he/she authorizes, privileges of Public Benefit Associations shall be defined, especially the non-seizure of part of or all their funds, the non-acquisition of these monies by obsolescence, the possibility of expropriation of properties for the public benefit to fulfill the purposes of the Association and the possibility of allocating state-owned buildings and lands to these Associations.

#### **Article 58**

The Administrative Body may assign to a Public Benefit Association the management of an affiliated foundation or otherwise or the implementation of any of its projects or programs in accordance with the rules and procedures to be determined via a decision from the Competent Minister. Ministries and public entities may assign to a Public Benefit Association the responsibility of managing an affiliated foundation or implementing its projects after an approval from the Competent Minister.

Without prejudice to Articles 47 and 49, if the Administrative Body finds out that serious violations affecting the realization of the purposes, the performance of activities, or the delivery of programs or projects assigned to a Public Benefit Association have occurred, the project assigned to the relevant Association may be withdrawn.

#### **CHAPTER IV:**

#### **CIVIL FOUNDATIONS**

##### **Article 59**

Provisions applicable to Associations shall apply to Civil Foundations for matters not specifically covered in this Chapter.

##### **Article 60**

A Civil Foundation is established by allocating a sum of money that commensurate with the purpose of its establishment and the size of envisaged activities but shall not be less than twenty thousand pounds upon establishment for a definite or indefinite period of time. Civil foundations may not target realizing financial gains for the benefit of any of its founders or trustees.

##### **Article 61**

The establishment of a Civil Foundation may be made by one or more founders of natural or legal persons or both. Founders shall develop articles of association that contain, in particular, the following information:

- a. Name of the Foundation, provided that it does not result in confusion with another Foundation or Association within the same geographic scope, or with any state institution or Foreign Organization.
- b. The geographic scope of the Foundation and its management center in the Arab Republic of Egypt.
- c. The purpose behind the establishment of the Foundation.
- d. Detailed statement of funds allocated for the realization of the Foundation purposes.
- e. Organization of the Foundation management including the methods of appointing the chairman and members of the board of trustees, and the method for appointing the manager particularly in the absence of founders or any of them for whichever reason.

A Civil Foundation may be established by an official document or a declared recommendation, each of which may be considered as articles of association for the Foundation provided it contain the information mentioned in the previous paragraph.

##### **Article 62**

In case votes of founders are equal when voting for any decision related to the operation of the Foundation, the founders allocating the majority of the foundation's capital shall have the decision power.

##### **Article 63**

Whenever the establishment of a Civil Foundation is via an official document, it shall be permissible for the founder(s) to abolish it by another official document before its establishment is recorded. The Executive

Regulations of this Law shall provide model articles of association that may be followed by Civil Foundations.

#### **Article 64**

Every Civil Foundation shall have a board of trustees composing of no less than five members and not exceeding fifteen members to be appointed by the founder or founders. The chairman and members may be from those trustees. The Administrative Body shall be notified by such appointment and any changes in the board of trustees. The board of trustees shall manage the Civil Foundation according to its articles of association. The chairman shall represent the Foundation before judiciary and third parties.

The articles of association of the Foundation shall define the selection method of members of the board of trustees taking into account the proportionate representation of founders according to their shares in the capital.

#### **Article 65**

In the event when no board of trustees is appointed or one or more positions in the board are vacant and it is not possible to appoint their substitutes following the method indicated in the articles of association, the Administrative Body shall make such appointment.

### **CHAPTER V:**

#### **FOREIGN NON-GOVERNMENTAL ORGANIZATIONS**

#### **Article 66**

Foreign Non-Governmental Organizations may be licensed to perform one or more activities of the activities of Associations and Civil Foundations subject to the provisions of this Law, based on rules prescribed herein for limited term defined by the Competent Minister in the same license. An Organization may not perform any activity in the Arab Republic of Egypt unless it obtains a permission from the Competent Minister.

#### **Article 67**

The Foreign Non-Governmental Organization shall present a license request to the Ministry of Foreign Affairs with all supporting data and documents as stated in the Executive Regulations of this Law.

#### **Article 68**

Upon requesting or renewing the license, the Organization pays a fee that does not exceed fifty thousand pounds or its equivalent in US dollars to be paid in the currency decided by the Administrative Body. The yield of these payments goes to the Unit. This amount increases by 20% upon renewal of the license but shall not exceed four times the maximum limit set forth in this Article.

#### **Article 69**

In all cases, the licensed activities of the Foreign Non-Governmental Organization shall be consistent with the needs and priorities of the Egyptian society and based on the development plans. It shall not be involved in, or finance, the work of political parties, vocational or labor syndicates; any work of political or religious



nature; or any work that may cause harm to the national security, public order, public morals or public health; or any work that incites discrimination, hatred or schism.

#### **Article 70**

A Foreign Non-Governmental Organization shall spend its money transparently in what achieves its purposes according to the rules of the activity it is authorized to perform inside Egypt. It shall be impermissible for an Organization to use its premises to serve goals or perform activities that are unlicensed or not connected to its purposes. The Organization undertakes to submit reports defined by the Administrative Body in the relevant license.

#### **Article 71**

It shall be prohibited for a licensed Foreign Non-Governmental Organization to send, move or transfer any funds or donations to any person, Organization, authority or Foundation inside or outside the country unless it obtains a prior approval from the Competent Minister. The Organization shall also be prohibited from receiving any funds from a natural or legal person other than the sources of its funding mentioned in the relevant license unless it obtains a prior approval from the Competent Minister.

#### **Article 72**

A Foreign Non-Governmental Organization licensed to work inside the Arab Republic of Egypt shall be subject to the supervision of the competent Administrative Body in accordance with this Law and shall present to this Entity the following documents:

- The number of its bank account and its sub-accounts through which it receives or spends funding for its activities in the Republic, which constitute the exclusive means for the Organization to receive or spend any funds. Acknowledgement of the right of the Administrative Body to examine the bank account whenever necessary.
- A progress report covering the period of conducting its licensed activities. The relevant license shall define the frequency of this report.
- Annual balance sheets endorsed by a certified legal accountant.
- Any other reports, data or information requested by the Administrative Body concerning the Organization or any of its activities.

#### **Article 73**

All work relations concerning staff of the Foreign Non-Governmental Organization are subject to the Egyptian Labor Law. Egyptian courts have exclusive jurisdiction over disputes arising from these relations. Any agreement to the contrary shall be considered invalid.

In all cases, Civil Society Organizations shall not employ foreigners as experts, temporary or permanent workers, or volunteers except after obtaining the permit to do so from the Competent Minister in accordance with the procedures and documents defined by the Executive Regulations of this Law.

#### **Article 74**

Branches of Foreign Non-Governmental Organizations or their representation offices shall be subject to the provisions of other sections of this Law for whatever not specifically covered by this Chapter.

## **Article 75**

In case a Foreign Non-Governmental Organization violates the provisions of this Law or the rules for conducting licensed activities, the Competent Minister may issue a reasoned decision suspending the violating activity or cancelling the activity license. The Unit shall inform the concerned Organization by this decision. In all cases, it shall be permissible to cancel a license for reasons related to any threats to national security, public safety, or public order or in accordance with the reciprocity principle.

The Executive Regulations of this Law shall define other conditions under which licenses to Foreign Organizations are renewed, amended or cancelled as well as the procedures to be followed in case of license cancellation, and the disposal of the Organizations' monies whatever their nature.

## **Article 76**

The provisions related to Foreign Non-Governmental Organizations shall be applicable to branches of Regional Organizations and they shall abide by them. However, Regional shall be entitled to open sub-accounts of their original accounts to be allocated to what the Organization spends in other countries.

## **CHAPTER VI:**

### **CENTRAL UNIT OF ASSOCIATIONS AND CIVIL WORK, AND ITS BRANCH UNITS**

## **Article 77**

Under the Competent Ministry, a special unit is established under the name "Central Unit for Associations and Civil Work" that replaces the Central Department of Associations and Unions. The Competent Minister shall issue a decision transferring some workers of the Central Department of Associations and Unions to the Unit after passing the exams and trainings specified by the Competent Minister. The transferred workers shall maintain their job grades and positions in their personal capacity. The formation of the Unit and appointment of its head shall be by a decision from the Competent Minister. The Executive Regulations of this Law shall define the relationship between this Unit and other state institutions, as well as its administrative and financial structures; its staff regulations and remunerations without the need to comply with the applicable government systems.

The Central Unit shall be responsible for the supervision and oversight on Associations, Unions, Civil Foundations and Foreign Non-Governmental Organizations. The Unit shall also be responsible for formulating and following up the procedures related to the implementation of the provisions of this Law, its Executive Regulations and relevant decisions. The Unit shall also be responsible for the development and publication of studies, information and statistics related to Associations, Unions, Civil Foundations and Non-Governmental Organizations at the local, regional and international levels.

The Unit shall establish an electronic registry and archive for all documents related to Associations, Unions, Civil Foundations and Non-Government Organizations.

The Central Unit shall have independent financial accounts for allocations made to the Unit from the state and the financial support it receives in addition to funds collected from Associations, Unions, Civil Foundations and Foreign Non-Governmental Organizations for the services it provides. A decision from the Competent Minister shall define the fees it collects for services with a maximum threshold of five thousand pounds.

The Central Unit, after approval from the Competent Minister, may provide its expertise in the field of preparing technical, financial and legal studies; proposing legislative and regulatory systems; and the assistance in the creation of administrative structures to local and foreign Entities that require so. The approval shall define the financial remuneration for the Unit. The Executive Regulations of this Law shall define any other financial resources.

Under Social Solidarity Directorates, sub-units technically affiliated to the Central Unit shall be established to replace the Associations Department under the Social Solidarity Directorate. The Competent Minister shall issue a decision transferring some workers from the Associations Department of the Social Solidarity Directorate after passing the exams and the training prescribed by the Competent Minister. The transferred staff members shall maintain their job grades and statuses in their personal capacities. These sub-units are responsible for the supervision and monitoring of Associations, Civil Foundations and Unions within their jurisdiction. The Executive Regulations of this Law shall define the formation of the sub-unit, its other responsibilities, its personnel regulations and their wages without the need to comply with other applicable government regulations.

### **Article 78**

In addition to responsibilities set forth in the previous Article, the Unit has the following responsibilities:

1. Contributing to developing an Egyptian strategy for voluntary work, its regulating policies, and plans and supervising its implementation.
2. Facilitating the connection between different voluntary entities and volunteers using all possible means.
3. Making available information about opportunities for volunteerism for community members.
4. Encouraging Civil Society Organizations and government entities to provide opportunities for volunteerism.
5. Supervising the development of training programs for volunteers and approving the necessary manuals for implementation of these programs.
6. Developing statistics and research on voluntary work and creating a database of volunteers, voluntary entities and voluntary activities carried out in the Arab Republic of Egypt.
7. Drafting the voluntary work model agreement between volunteers and voluntary entities, and making necessary amendments as required for the public interest.
8. Working to provide necessary incentives to encourage society members to join voluntary initiatives.
9. Examining different complaints of volunteers and beneficiaries of voluntary services and taking necessary actions in this regard.

### **Article 79**

The Competent Minister may approve one or more systems for incentivizing workers in the Central Unit and the sub-units in light of their performance and their work progress.

### **Article 80**

Staff of the Central Unit and the sub-units identified by the Minister of Justice, based on a proposal from the Competent Minister, shall have the capacity of a judicial control officer.

### **Article 81**

The Administrative Body undertakes to establish a mechanism for the instant sharing of information with the responsible authorities to act in case there are doubts, or reasonable ground for doubt, that any Civil Society Organization is:

1. Engaged in terrorist financing or being used as a facade for fundraising for the benefit of a terrorist organization.
2. Being exploited as a channel for terrorist financing including for the evasion of any asset freezing actions or any other forms of terrorism support.
3. Concealing that it directs funds collected for legitimate purposes to the benefit of terrorists or terrorist organizations.

## **Article 82**

The Central Unit of Associations and Civil Work shall study the types of Civil Society Organizations that could be more susceptible, by virtue of their activities or characteristics, to the risk of being exploited in terrorist financing operations. The Unit shall document the results of the study and update it periodically and whenever needed. In this regard the Unit shall:

- a. Identify the nature of the threats posed by terrorist organizations to these entities and the means that enable terrorist organizations of exploiting such entities.
- b. Develop a system for desk and field monitoring of these entities taking into account the identified threats.
- c. Periodically review the control procedures applied to these entities in light of the identified risks and relevant changes in threats.
- d. Propose awareness raising programs for these entities and their donors on the potential vulnerabilities that may be exploited for terrorist financing and the measures to be taken for protection against this exploitation.
- e. Conduct a study for the best practices to mitigate the risk of terrorist financing and make available this study to Civil Society Organizations.

## **CHAPTER VII:**

### **ASSOCIATIONS AND CIVIL FOUNDATIONS SUPPORT FUND**

## **Article 83**

A Fund shall be established under the Administrative Body, under the name of "Associations and Civil Foundations Support Fund". The aim of the Fund shall be to provide financial support for the continued activities of Associations, Civil Foundations and Unions established pursuant to provisions of this Law. The Fund shall have a legal personality. The Fund shall provide support to Associations, Civil Foundations and Unions to upgrade their level and provide technical, financial and administrative support. All rights of the Associations and Civil Foundations Support Fund established under Article 71 of the Associations and Civil Foundations Law No. 70 of 2017, shall be transferred to this Fund. The Executive Regulations of the Law shall define other functions of this Fund.

## **Article 84**

The Associations and Civil Foundations Support Fund shall have a board of directors chaired by the Competent Minister. The Executive Regulations shall define the formation of the board, selection criteria of its members, its term, management and remunerations of its members. A decision from the Competent Minister shall be issued in this regard. The Fund shall have a technical secretariat composed of the staff of the Central Unit for Associations and Civil Work. A decision from the Competent Minister shall be issued to define the composition of the secretariat, its working system and remunerations. The Fund shall have a full-time executive director appointed by the Chairman of the board of directors.

#### **Article 85**

The board of directors is the highest authority in the Fund and has the following powers in particular:

- a. Taking whatever actions necessary to develop the resources of the Fund.
- b. Conducting studies about financial situations of Associations and the priorities for their support.
- c. Collecting financial data about Associations and the expansion of their activities. Issuing bulletins to allow donors inside and outside the country to define their contributions. Preparing and publishing an annual manual of Associations, Civil Foundations, Specialized and Regional Unions to allow citizens to contribute in and participate in voluntary social work.
- d. Formulating the general policies to support the projects of Associations and Civil Foundations.
- e. Developing controls related to the distribution of support.
- f. Distributing support to projects of Associations and Civil Foundations after the approvals of competent entities.
- g. Approving the organizational structure of the Fund.
- h. Developing internal regulations of the Fund related to administrative, commercial, technical and financial matters without the need to comply with the rules and legal systems applicable to the administrative apparatus of the state.
- i. Developing staff regulations to organize job related matters, especially in relation to salaries, allowances, bonuses and incentives; the social and health care; travel allowances and transportation costs without the need to comply with the government rules and systems.

#### **Article 86**

Resources of the Fund shall compose, in particular, of the following:

- a. Amounts allocated in the state budget for supporting Associations and Civil Foundations established pursuant to the provisions of this Law.
- b. Donations, subsidies and grants received by the Fund and approved by the board of directors.
- c. Funds resulting from the dissolution of Associations, Civil Foundations and Unions.
- d. Additional fees imposed for the benefit of charitable works.
- e. Fines imposed pursuant to provisions of this Law.
- f. The returns on investment and development projects participated in or financed by the Fund.
- g. Returns on the investment of its own funds.
- h. Any other resources approved by the Fund's board of directors.

#### **Article 87**

The Fund shall have an independent budget starting with the start of the fiscal year of the state and ending with it. The Fund shall have one or more accounts in any bank registered with the Central Bank to deposit its revenues. The surplus of the Fund's budget is carried forward to the next year.

The Fund shall be exempted from all kinds of taxes and fees. It shall be exempted from being subject to Law No. 170 of 2018 with respect to the transfer of the Fund's balances, special accounts, special units and the surplus from public institutions to the treasury of the state. The Fund shall also be exempted from any other future laws in this respect.

## **CHAPTER VIII:**

### **GENERAL UNION, REGIONAL & SPECIALIZED UNIONS**

#### **Article 88**

With the exception of Article 18 paragraph (f), provisions applicable to Associations shall apply to Unions created in accordance with the provisions of this Law for matters not specifically covered by this Chapter.

The Competent Minister may allocate no more than 25% of the fee provided for in Article 9 paragraph (f) for spending on activities conducted by Unions in accordance with the rules and controls set by the Executive Regulations.

#### **Article 89**

Associations and Civil Foundations whose management center is located within the province, regardless of their activities, shall establish one regional Union among them. The Union shall have written articles of association, recorded at the competent Administrative Body. For any transactions with foreign parties, Unions shall be subject to the same controls applicable to Associations. A Regional Union has the following functions:

- a. Implementing programs or projects in cooperation with Associations and Civil Foundations under the same controls applicable to Associations.
- b. Establishing its own database for the names of Associations and Civil Foundations inside the province. The database shall be updated periodically.
- c. Taking necessary actions and steps to improve the qualifications of workers and volunteers in Associations and Civil Foundations, spreading the culture of volunteerism among society sectors, developing training and qualification plans, and following-up on the evaluation of training programs it conducts inside the province.
- d. Coordinating with local councils, provinces and competent ministries regarding the needs of the province, its potentials and resources in a manner that ensures the complementarity of efforts of member Associations and Foundations to deliver their services and contribute to developing solutions for society issues.
- e. Providing technical and legal support to Associations and Civil Foundations within the scope of the province pursuant to the provisions of this Law.
- f. Conducting an annual conference to evaluate achievements of member Associations and Civil Foundations and discuss matters referred to the Unions from these Associations and Foundations.

## **Article 90**

Each Regional Union shall have a board of directors composing of fifteen members for a term of four years. The members shall be elected by the general assembly.

## **Article 91**

A Specialized Union shall have a board of directors composing of fifteen members for a term of four years. The members shall be elected by the general assembly.

A Specialized Union is formed of no less than fifteen Egyptian Associations or Civil Foundations, or both, performing or funding a joint activity in a specific field at the level of the Republic. The Union shall have written articles of association and a legal personality. As soon as an Association or Civil Foundation acquires legal personality, it may join the Specialized Union based on its activity. The Executive Regulations of this Law shall define procedures to join this Union.

The Specialized Union shall assume the following functions:

- a. Implementing programs or projects in cooperation with Egyptian Associations and Civil Foundations under the same terms applicable to Associations.
- b. Establishing its own database for the names of Associations and Civil Foundations. The database shall be updated periodically.
- c. Taking necessary actions and steps to improve the qualifications of workers and volunteers in Associations and Civil Foundations, spreading the culture of volunteerism among society sectors, developing training and qualification plans, and following-up on the evaluation of training programs it conducts inside the province. The approval of the Competent Minister shall be obtained for the recruitment of foreign experts or conducting courses outside the country.
- d. Coordinating with concerned entities regarding the needs of Associations and Civil Foundations, their potentials and resources in a manner that ensures the complementarity of efforts with Associations and Civil Foundations to deliver their services and contribute to developing solutions for society issues.
- e. Providing technical and legal support to Associations and Civil Foundations members in the Union.
- f. Conducting an annual conference to evaluate achievements of member Associations and Civil Foundations and to discuss matters referred to the Union.

It shall be impermissible to establish more than one Specialized Union at the level of the Republic for the same activity.

## **Article 92**

A General Union for Egyptian Associations and Civil Foundations shall be established and shall have legal personality. Membership in this Union shall include the boards of directors of Regional and Specialized Unions. The headquarters of this Union shall be in the Province of Cairo. Provisions applicable to Associations shall be applicable to the Union with respect to its relationship with foreign parties.

The General Union shall assume the following functions:

- a. Establishing pioneer projects at the national level to serve pressing issues in cooperation with Associations and Civil Foundations.

- b. Conducting necessary studies to define the role of Associations and Civil Foundations in supporting and implementing development programs pursuant to the social policies of the state, and coordinating with relevant provinces, local councils and ministries.
- c. Organizing technical and administrative training programs for the staff and members of Associations and Civil Foundations in coordination with Regional and Specialized Unions, Associations and Civil Foundations. It shall be impermissible to use foreign expertise or conduct training courses outside the country except upon the approval of the Competent Minister.
- d. Documenting pioneer and successful experiences of Associations and Civil Foundations while promoting the role of small and medium enterprises in combating poverty and solving unemployment issues.
- e. Representing Civil Society Organizations before government and non-government entities at the national, regional and international level following the approval of the Competent Minister.
- f. Communicating the role of Associations and Civil Foundations in enhancing civil work, and training volunteers to contribute in the activities of Associations and Civil Foundations.
- g. Conducting conferences and workshops to build the capacities of Associations and Civil Foundations, and Regional and Specialized Unions.
- h. Developing an annual report for achievements of Associations and Civil Foundations during the year. The report shall include an evaluation of their capacities and proposed solutions for obstacles facing their work.
- i. Proposing amendments to legislations governing civil work, and issuing necessary decisions to achieve the smooth and flexible implementation.
- j. Coordinating the programs and activities of Regional and Specialized Unions.

Regional and Specialized Unions shall join the General Union. The Executive Regulations shall define the procedures of joining and the annual fees.

Management of the General Union shall be assumed by a board of directors composing of twenty-seven members elected by its general assembly for a term of four years. The internal bylaws of the Union shall define the election system taking into account the geographic and specialization-based representation.

## **CHAPTER IX:**

### **VOLUNTEERISM**

#### **Article 93**

The regulation of volunteerism shall aim at encouraging the spirit of initiative among members of the society, their positive participation in different activities of public benefit, and the investment of their free times in voluntary work, while setting the terms to ensure the protection of volunteers and the beneficiary groups of the voluntary work. The Executive Regulations of this Law shall define the conditions for volunteerism, the rules and terms for protection of volunteers, the privileges they are entitled to and the beneficially groups of the voluntary work.

## **CHAPTER X:**

### **SANCTIONS**

#### **Article 94**



Without prejudice to any more severe penalty stipulated in the Penal Code or any other law, the crimes set forth in this Law are penalized by sanctions provided for in this Chapter.

#### **Article 95**

A fine of no less than one hundred thousand pounds and not exceeding one million pounds shall be imposed on:

- a. Whoever receives or sends as a chairman, a member, or a worker in an Association, Civil Foundation, or any Entity performing Civil Work, either in a true or alleged capacity, funds from foreign or local entities or collects donations in violations to provisions of this Law. The court shall rule to obligate the convict to return the amount of funds he/she received, sent or collected, as the case may be. These funds shall go to the Associations and Civil Foundations Support Fund.
- b. Whoever conducts activities in violation of the provisions of paragraph c of Article 46.
- c. Whoever violates provisions of Article 16 (paragraphs b, c and d).
- d. Whoever conducts activities of an Association or Civil Foundation despite the issuance of a ruling or decision suspending its activities or dissolving it.
- e. Whoever continues to perform Civil Work without assuming any of the legal forms subject to this Law, despite being notified to rectify its status and the elapse of the notice period.

#### **Article 96**

A fine of no less than fifty thousand pounds and not exceeding five hundred thousand pounds shall be imposed on:

- a. Every natural or legal person, other than the competent Administrative Body , who grants a license to any entity to perform an activity of Associations or Civil Foundations.
- b. Whoever deliberately refrains from enabling the Administrative Body to monitor and examine the activities of the Association.
- c. Whoever moves the premises to a different location than the notified one without notifying the Administrative Body within three months from the date of such move. In case the violation is repeated, the Administrative Body may request the dissolution of the Association in a claim before the Competent Court.
- d. Whoever breaches Article 16 (paragraphs a, b, e, f, g, h, i, j and k).
- e. Whoever spends the funds of Civil Society Organizations for activities other than specified or in violation of laws and regulations.
- f. Whoever disposes the funds of an Association or Civil Foundation against which a dissolution and liquidation ruling or resolution was issued without a written order from the liquidator.
- g. Every liquidator who distributes funds of the Association, Civil Foundation or Union in contrary to the provisions of this Law.

#### **Article 97**

The person in charge of actual management of the legal person is punished with the same sanctions for the same acts committed in violation to the provisions of this Law whenever his/her knowledge of these acts is proven, and if his/her failure to perform his/her duties facilitated the committing of the crime. The legal person shall be jointly liable for financial penalties ordered in accordance with the provisions of this Law.

## **Article 98**

In case of conviction, and in addition to the sanctions provided for in Articles 95 and 96, the Court shall order the following sanctions:

- Publication of the ruling in traditional and electronic publication means on the cost of the convict.
- Confiscation of the seized funds in relation to crimes provided for in Articles 95 and 96 and transfer of these funds to the Fund, or imposing an additional fine equal to their value if such funds cannot be seized or were disposed of to third parties in good faith.

In all cases, the Court may order the closure of the offices, impose a ban on receiving donations, and prohibit the practicing of the activity for no more than one year.