**Draft Law No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of 2013**

**Law on Civil Work Organizations**

In the name of people;

President of the Republic

Having reviewed the constitution;

The civil code;

The penal code;

The customs law No. 66 of 1963;

Law No. 70 of 1964 on Notarization and Declaration Fees;

Stamp duty law No. 111 of 1980

The General Sales Tax Law No. 11 of 1991

The National Associations and Foundations Law No. 84 of 2002

The Income tax law No. 91 of 2005;

And following approval of the Council of Ministers:

The Shura Council has approved the following law and we have promulgated it:

**Article (1):**

National associations, foundations and federations established by virtue of law No. (84) of 2002 (and laws preceding it), whose articles of incorporation contradict with the provisions of the attached law, shall rectify and amend their status pursuant to this law within one year of its effectiveness. Otherwise, the Administrative Body shall request the competent court to dissolve them. The assets of these entities shall not inure to the Civil Work Organizations Support Fund unless a conclusive verdict dissolving them is issued.

**Article (2):**

Existing boards of directors of national associations, foundations, and all entities referred to in preceding article, and their executive and administrative bodies, shall continue to operate until reformed according to this law within one year of the date of its effectiveness.

**Article (3):**

The Minister of Insurances and Social Affairs shall issue the executive regulations of the attached law within three months as of the date of its publication. Until the issuance of such regulations, the current regulations and resolutions may continue to be effective excluding any contradictions with the provisions of the attached law.

**Article (4):**

The law of national associations and foundations No. (84) of 2002 is hereby abolished as well as any provision that contradicts with the provisions of the attached law.

**Article (5):**

This law shall be published in the official gazette and is effective as of the next day of publishing.

This law shall be stamped by the seal of the State and implemented like its other laws.

Written on \_\_\_/\_\_\_/2013

**Dr. Mohammed Morsi**

**President of the Republic**

**Law on**

**Civil Work Organizations**

**Chapter One**

**General Provisions**

**Article (1):**

1. **Civil Work:** All not-for-profit work practiced by a national organization under the constitution and law.
2. **Civil Work Organizations:** All non-governmental bodies established in a voluntary manner by a group of physical or legal persons or both having legal personality practicing civil activities with the objective to achieve human and developmental objectives within the values and principles of respect, tolerance, peaceful willingness and respecting diversity and differences.
3. **Association**: A group composed of natural or legal persons or both, whose number is not less than ten for purposes other than obtaining material profit to its members. It targets the development of the individual and optimization of his capacities to effectively participate in the public life and to also contribute to the sustainable development of the society and individuals
4. **Public Benefit Association**: An association that aims at realizing public benefit and whose activity is for serving the society. A public benefit status shall be granted by a resolution from the Prime Minister, or whom he designates, following fulfilling all criteria provided for in the Executive Regulations, based on a request from the association.
5. **National foundation**: A legal person established by the allocation of an amount not less than fifty thousand pounds upon establishment to achieve nonprofit purpose.
6. **Central Association**: Each association that works in different fields of civil work as a collective body whose number of founders is not less than 100 members from five provinces so the number shall not be less than 10 members from every province. The statute of such association may provide for the creation of branches in all parts of the Arab Republic of Egypt or outside it. Such association shall aim at effectively contributing in public life and paying attention to public affairs. It may establish other entities under it to work in the field of developing individuals and the society. Such organizations, from the technical perspective, shall work under their own statutes.
7. **Relief agency:** An entity formed from natural or legal persons or both working basically in the field of humanitarian relief activities at the times of disasters, wars and armed conflicts (whether internal or external) and in some programs and projects subject to this law. Such agency may establish more than one branch inside or outside the Arab Republic of Egypt. The funds of these agencies shall be subject to the control of the Administrative Body and the oversight of the Central Audit Organization. The executive regulations of this law shall define the relief programs and activities to be practiced by these agencies.
8. **Foreign Non-Governmental Organization**: A foreign legal person, whose main management is located inside or outside the Arab Republic of Egypt, licensed to perform one or more activities of organizations subject to the provisions of this law and its rules and in accordance with the agreement concluded by the organization and the Coordination Committee .
9. **Regional Federation**: A voluntary federation established among organizations subject to this law located within one province, regardless of the activity, and having legal personality.
10. **Specialized Federation**: A voluntary federation established among a number of organizations subject to this law practicing or funding a joint voluntary activity and has legal personality according to its special bylaw.
11. **Network / alliance / coalition:** A voluntary gathering of a number of entities (nongovernmental - governmental - private - foreign organizations - donor organizations) with the purpose of planning a joint cooperation through which the capacities and resources of the different members of the gathering are accumulated and mobilized for a development issue and they enjoy the legal personality according to its own statute.
12. **Initiative / campaign:** A voluntary gathering of a group of natural or legal persons or organizations subject to this law with the purpose of calling for, promoting, assisting and motivating the implementation of a project through which the capacities and potentials of these organizations implementing this project are combined. This gathering shall have legal personality according to its statute.
13. **General Federation of the Civil Work Organizations:** A general federation formed of all organizations subject to this law who join the federation in a voluntary manner. Its board of directors shall be formed from among the general assembly members forming this federation. The federation (with regard to participant members) shall assume the supervision of the national activity practiced by different organizations formed in accordance to the provisions of this law and having the legal personality with its premises in Cairo city according to its own statute.
14. **Founding Member**: A natural or a legal person who participates in the formation of an association or foundation and signs its articles of incorporation.
15. **Coordination Committee :** A committee established by a resolution of the Prime Minister to decide on every matter related to the work of foreign nongovernmental organizations in Egypt and foreign funding sources subject to the provisions of this law.
16. **Competent Court**: The administrative judicial court within its jurisdiction the management center of any of the organizations established by virtue of this law is located as the case may be.
17. **Competent Minister**: The Minister of Insurances & Social Affairs.
18. **Administrative Body**: The Ministry of Insurances & Social Affairs or any of its directorates.

**Article (2):**

All organizations subject to this law shall adhere to the constitution, the law and the rules of transparency and human rights in their statutes, activities and funding.

**Article (3):**

All provisions provided by this law concerning associations apply to all civil work organizations stipulated by this law in matters not regulated by a special provision concerning those organizations with the exception provisions of the special nature related to associations.

**Chapter Two:**

**Associations**

**Section One: Establishment of Associations**

**Article (4):**

It is conditional for the formation of an association to have written articles of incorporation signed by founders and shall have an independent management center in the Arab Republic of Egypt.

It is permitted for non-Egyptians having permanent or temporary residence in Egypt to join membership of any association or its board of directors following the rules contained in the executive regulations in a percentage that may not exceed 25% of the number of members of the board of directors. It is permissible for any foreign community to establish an association concerned with the affairs of its members pursuant to the provisions of this law and under the condition of reciprocal treatment.

**Article (5)**

Articles of incorporation of any association, upon notification, must contain the following data:

1. Name of the association, which should not be in confusion with any other association within the same geographic scope.
2. Purpose of the association (type, field and activity of the association and its geographic scope).
3. Address of the association headquarters.
4. Name, surname, age, nationality, profession and domicile of each founder, or the details of any legal person.
5. Resources of the association
6. Bodies that represent the association including the general assembly and board of directors, the powers of each, the method of members selection, dismissal or invalidation of membership as well as the quorum necessary for the validity of meetings of these bodies, the validity of their decisions and the means of notifying members.
7. Membership system, 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.
8. Financial control system.
9. Rules for amending the articles of incorporation of the association, establishing its branches, the cases for its termination and organizations that shall benefit from its funds in these cases whether to on national association or foundation working in the same field as the association or to the National Organizations Support Fund.
10. Identify the authorized representative of founders in the establishment procedures.

Model guiding articles of incorporation shall to be attached to the executive regulations of this law.

**Article (6):**

The Administrative Body shall enter the summary articles of incorporation of the association in the associations registry as soon as the establishment notification is served via a registered letter with receipt acknowledged along with the following documents:

1. Four copies of the articles of incorporation of the association signed by all founders.
2. An official receipt for the occupancy of the association premises
3. A list of those selected for the chairmanship and membership of the first board of directors from the founders
4. An evidence for the payment of due fees for the entry of the association in the special register of the Administrative Body. The fees shall be defined in the Executive Regulations of the law and shall not exceed 200 pounds. These fees shall be deposited to the National Organizations Support Fund.

The Administrative Body shall notify the Regional Federation under its jurisdiction the headquarter of the association is located within 30 days.

The legal personality of the association is affirmed as soon as the notification with the aforementioned supporting documents is served. The Administrative Body shall issue a certificate indicating the entry number and the documents served.

In case a central association opens a branch, it is sufficient to notify the Administrative Body and the Regional Federation of the name of the legal representative of the branch or to whom the management of the branch is entrusted.

The declaration of the association may not be rejected under any justification except under the provisions of article 7 hereunder. The executive regulations of this law shall define the procedures of notification and the required papers for submission to the Administrative Body. A sample form shall be attached for guidance.

An association is considered declared 30 days after serving the establishment notification without an objection from the Administrative Body.

**Article (7):**

If the Administrative Body finds, within the 30-days period, that purposes of the association contain an activity prohibited by article (10) of this law, it should notify the association with a receipt acknowledgment letter to delete the violating activity within 15 days. In case of none response, the establishment of the association shall be contested before the competent court.

Upon the elapse of 30 days without contest or issuance of a verdict refusing the contest the Administrative Body should take procedures of publishing the summary of the association articles of incorporation on the official website of the Ministry on the internet and publish a summary of the association articles of incorporation in the Egyptian annals. Otherwise, the association may recourse to the competent court to obtain an order for publication.

**Article (8):**

Whoever concerned may review the summary entry of the articles of incorporation of any association and obtaining certified copies thereof after paying due fees as defined in the executive regulations of this law. These fees shall not exceed 100 pounds and go to the National Organizations Support Fund.

**Article (9):**

Procedures followed for the amendment of the articles of incorporation shall be the same as for the establishment of the association as stipulated in articles 4, 5 and 6 of this law.

**Section Two: Purposes, rights and obligations of associations**

**Article (10):**

Associations shall work to achieve their purposes in all social care, relief and development fields and to enlighten the society in all cultural, religious, scientific, intellectual, sportive, political and human rights aspects and everything achieving the interests of the society.

In line with their objectives and programs, associations may support community activity of public institutions and civil society organizations.

All organizations subject to this law may access information and contribute with different state institutions in formulating public development policies and plans and to perform an active role in evaluating the performance of different state institutions within the framework of the constitution and law.

It is prohibited to have among the purposes of the association or to practice activity in the following:

1- Creation of military or paramilitary formations, teams or organizations.

2- Targeting realization of profit to the association members or practice an activity to that end. Pursuing commercial controls to realize revenue assisting in the achievement of the purposes of the association may not be considered as a violating activity. The executive regulations shall define these controls.

**Article (11):**

Without prejudice to any other privileges provided for in other laws all organizations established pursuant to the provision of this law shall enjoy the following benefits:

1. Exemption from registration and entry fees due on the association concerning all types of contracts the association is party to as well as exemption from signature endorsement fees.
2. Exemption from taxes and stamp duties on all contracts, powers of attorney, documents, printed materials, registers and donations …etc obtained by the association.
3. Exemption from custom duties and other fees imposed on the imports of equipment, machines, instruments, tools and production requirements as well as on any received gifts, grants and assistance from abroad provided that these items are necessary for its basic activity. It is prohibited to dispose fixed assets before the elapse of ten years unless payable custom duties and other levies are paid therefore. Provisions of foreign funding contained in article 63 hereunder shall apply to these assets.
4. Exemptions of properties owned by the association from real-estate taxes. The association, upon exercising its right in owning properties for fulfillment of its purposes, shall observe laws regulating ownership of real estate by foreigners.
5. Projects implemented by associations shall be exempted from all kinds of taxes.
6. Associations are granted 25% deduction from the transportation fees of machines and equipment on railways.
7. The tariffs of subscriptions, telephone calls, electricity, water and LPG applicable to private houses apply thereto.
8. Exemption of the association procurements of devices, tools and transport means and everything necessary for the implementation of its purposes or commodities it produces and the services it renders from sales tax.
9. Donations granted to associations are deducted from the taxable income of the donor in a percentage not to exceed 25% of his net profits.

**Article (12):**

An association may perform any activities not contradicting with its purposes in cooperation with any foreign association, agency or organization provided that the Coordination Committee is notified. The executive regulations shall define the data and information that should be included in the notification.

If an association creates specialized service bodies as a contribution in development plan, it shall consult with the specialized technical and administrative organizations and shall request any support if needed.

**Article (13):**

Any organization regulated by this law may receive donations from inside the Arab Republic of Egypt from Egyptian natural or legal persons (residing inside or outside Egypt), from resident foreigners or foreign NGOs licensed to work in the Arab Republic of Egypt to support its financial resources towards achievement of its purposes.

In the case of foreign NGOS not licensed to work in Egypt or non-resident foreigners, the organization shall notify the Coordination Committee, by the identity, nationality and residence address of the donor.

The Coordination Committee may object within 30 days of the notification provided that such objection is justified. It shall notify the reasons for such objection to the association via a letter requesting the suspension of the funded activity. The absence of a response within 30 days is considered tactic approval for the funding.

In case of failure to stop the activity within 15 days, the Coordination Committee shall refer the matter to the competent court. The court shall decide in the objection within 15 days of the date of referral pursuant to the provisions of this law.

In all cases, this prohibition is inapplicable to scientific and technical books, publications and magazines as long as their content is consistent with and contributes to the activity of the association.

**Article (14):**

An association, for the purpose of meeting its purposes and enhancing its financial resources and after notification to the Administrative Body, may collect donations including TV campaigns, charitable parties and postal correspondence with exemption from all fees and taxes such as entertainment tax…etc. The Administrative Body may contest collection of donations within 15 days of notification thereto via a registered letter to the association with receipt acknowledged. If the association does not respond, the Administrative Body must refer to the competent court and the court shall decide in the objection within 15 days of the date of referral pursuant to the provisions of this law.

**Article (15):**

The association shall maintain its documents, correspondence and registers in its management center.

**Article (16):**

Every member of the association has the right to review the records of the association, its documents and instruments. If this right is denied, the Regional Federation or the Administrative Body may take necessary measures to enable members of the association of this right based on a request signed by no less than 10% of the members.

Each person, body or institution may review everything related to the activity of the association within one month from submission of an application to the Regional Federation in which these documents are deposited. The executive regulations shall stipulate the rules regulating of such review.

The executive regulations shall define rules regulating this.

**Article (17):**

Every association shall have an annual balance sheet. Accounts should be recorded in books approved by the chairman and the cashier in accordance with its articles of incorporation stating in details its financial position, expenditures and revenues including donations and their different sources.

The association commits to disclose the sources of any donations, grants or bequests exceeding 10 thousand pounds, from inside or outside, on the website of the Regional Federation in which the association is registered.

If the total assets in the association balance sheet exceed one hundred thousand pounds, the board of directors shall present its financial position and final accounts to a chartered accountant, licensed to conduct accounting and auditing profession, supported by documents prepared following standard accounting system stipulated by the executive regulations of this law for examination and submission of a report no less than one month before the convention of the general assembly.

The board of directors report along with the auditor's report, balance sheet and final accounts shall be displayed in the association's premises no less than two weeks before the convention of the general assembly and shall remain displayed until endorsed by the general assembly. The executive regulations of this law shall state the way of displaying these reports.

**Article (18):**

The association shall deliver to the Administrative Body a copy of its annual final accounts endorsed by the general assembly, as well as resolutions of the ordinary and extraordinary general assemblies and the report of the annual performance submitted to the general assembly.

The Administrative Body shall communicate to the Regional Federation a copy of these reports through its website within 30 days.

If the Administrative Body has an objection to any of those resolutions, it shall communicate that to the association within 15 days of the date of receiving the resolutions. If there is no response from the association to those objections within the following 15 days of the date of communicating the objection, the Administrative Body shall refer the matter to the competent court.

**Article (19):**

The association shall deposit with any bank or saving fund in Egypt its cash monies under its registered name or under the name of any of its activities or projects. Disbursement from these monies shall be only done by the chairman, or his designated person, and the cashier, or his designated person, based on a resolution from the board of directors. The association shall notify the Regional Federation and the Administrative Body the names of those authorized to sign.

**Article (20):**

The association may hold general assembly meetings either in its premises or outside. The association may also issue periodical publications or magazines without being subject to restrictions indicated by the press regulation law.

**Article (21):**

A central association may establish branches and offices in the governorates, centers, towns and villages, according to rules defined by the articles of incorporation.

It may also establish branches and offices outside the Arab Republic of Egypt according to the rules defined by its articles of incorporation. The board of directors commits to notify the Administrative Body and the Regional Federation in which the main center of the association is located.

**Article (22):**

The association may merge with one or more associations inside the Arab Republic of Egypt after approval of the general assembly to each of them. The board of directors commits to notify the Administrative Body and the Regional Federation by the new entity to prove its new legal personality.

The association may affiliate, subscribe or join any association or body having its premises outside the Arab Republic of Egypt according to rules defined by its articles of incorporation and following the approval of the Coordination Committee.

**Article (23):**

Every person has the right to voluntarily join an association after meeting the conditions defined by the articles of incorporation.

The association member has the right to withdraw any time he desires provided that he notifies the association in writing with a receipt acknowledgment letter. This withdrawal shall not impair the right of the association to claim him for whatever liabilities due on him.

Associations shall stipulate in their articles of incorporation the conditions and criteria for membership and to require approval of their boards of directors to accept membership.

**Article (24):**

The general assembly is composed of all members who spend no less than three months as members and who satisfy the obligations imposed according to the articles of incorporation. A central association may have members elect an body to perform the functions of the general assembly in accordance with the articles of incorporation and the association articles of incorporation.

The articles of incorporation shall define whatever related to the general assembly for everything not stipulated by this law.

**Article (25):**

The general assembly shall convene in an ordinary meeting at least once every year by invitation of the board of directors to every member having the right to attend. The invitation shall state the venue, date and agenda of the meeting in the manner detailed by the articles of incorporation. The meeting shall consider the report of the board of directors about the works, budget, final accounts, and auditor’s report of the year and to elect members of the board instead of those whose membership was removed or has expired.

The Administrative Body or Regional Federation may not have the right to attend meetings of the general assembly, including the elections of the board of directors, unless invited by the board of directors or by 25% of the members of the association.

**Article (26):**

The general assembly may be invited to an extraordinary meeting by the board of directors or upon request of no less than one fourth of the general assembly members to consider amending the articles of incorporation, removal of all or some members of the board of directors or for other matters defined by the articles of incorporation that must be considered in an extraordinary meeting.

By a resolution of the extraordinary general assembly and subject to approval of two thirds of the general assembly members, the association may be dissolved or merged with another association according to the rules provided for in its articles of incorporation. The dissolution resolution must provide for appoint a liquidator or more, the duration of liquidation and the fees of the liquidator undertaking the liquidation process.

**Article (27):**

Members of the General Assembly or the board of directors may not participate in decision taking related to the association if having personal interest or any of their relatives to the third degree. It is also impermissible to combine the membership of the board of directors and any paid work in the association.

**Article (28):**

Meetings of the General Assembly, or the body representing it in the case of central associations, are valid if attended by the absolute majority of its members. If the necessary number for this majority is not present, the meeting shall be postponed to a further session to be held in no less than one hour and no more than fifteen days as of the date of the first meeting in accordance with the articles of incorporation. The second meeting shall be valid if attended by no less than 25% of the members or 20 members, whichever is less. The resolutions of the ordinary general assembly are issued by the majority of the present members unless the association articles of incorporation provide for a special quorum.

**Article (29):**

The articles of incorporation shall define conditions that must be met by whoever nominates himself for membership of the board of directors and all procedures related to holding elections. The Administrative Body or the Regional Federation to which the association is affiliated may supervise the elections as per article 25.

The articles of incorporation shall define the number of the board of directors members provided that their number is an odd number and not less than seven members.

The term of the board of director shall be 4 years.

**Article (30):**

It is prohibited to combine between membership of the board of directors of the association and working in the Regional Federation or Administrative Body or other public organizations supervising or guiding the association and its funding. This prohibition does not apply to associations whose membership is limited to those working in any of the aforementioned organizations.

**Article (31):**

The Board of Directors of an association shall manage its affairs and it has, to that end, the right to perform any functions except the functions where the law or the articles of incorporation provides for the need to have an approval from the general assembly before implementing them. The board shall have a chairman who represents the association before the judiciary and third parties.

**Article (32):**

The board of directors may appoint a manager for the association from among its members without wage or from others with wage. The appointment decision shall define the competencies of the manager.

**Article (33):**

Subject to the provisions of the articles of incorporation of the association, if the number of the board of directors becomes insufficient for its meetings to be valid, the chairman of the Regional Federation to which the association is affiliated shall invite its general assembly to elect a new board of directors within 60 days and shall appoint one of the members of the association as an authorized person to perform the functions of the board of directors during this period if its articles of incorporation do not provide otherwise and the Administrative Body shall be notified by that. Otherwise, the Administrative Body must invite general assembly to meet on next Friday following above mentioned period.

The mission of the authorized person ends by the election of a new board of directors.

**Section Three: Public Benefit Associations**

**Article (34):**

Public benefit associations shall be subject to provisions governing other associations for any matter not specifically covered in this section. The funds of these associations are considered as public funds subject to the control of the Central Auditing Organization.

**Article (35):**

An association may be granted a public benefit status by a resolution from the Prime Minister or his designated person based on a request from the competent minister after granting to the association any activities, projects, programs or the management of an institution affiliated to any of the ministries.

Ministries, local administration units and other organizations or bodies may request the competent minister to approve assigning the implementation of any of their activities, projects, programs or the management of any of their affiliated institutions to any association.

Such request shall contain the following:

1. The profile of the association and projects it implements.
2. A detailed description of the components, goals and objectives of the institution, project or program to be assigned to the association.
3. An evidence of the assignment of the activity, project, program or the management of any institution to the association.

The request shall be decided on within 30 days of submission. In case the request is rejected, a written and reasoned refusal shall be notified to the association and the association has the right to contest the refusal before the competent court.

The public benefit status of the association shall expire by the end of the assigned project. It is impermissible to revoke public benefit status unless the association does not remove a violation following a notification from the Administrative Body for the correction of any decisions or activities the Administrative Body deems in violation of the conditions for the public benefit status within 15 days. Then, the Administrative Body may initiate litigation procedures before the competent court. The public benefit status may only revoked by a conclusive judgment.

**Article (36):**

A decision from the competent minister shall define the privileges of the public authority enjoyed by public benefit associations, especially the non-seizure of part of or all their funds, the non-acquisition of these monies by prescription and the possibility of expropriation of properties for the public interest to fulfill purposes of the association and the allocation of lands owned by the State to achieve the purposes of the association.

**Article (37):**

Public benefit associations may merge with each other following approval of the general assembly of each of them any notifying the Regional Federation to which each association is affiliated. Public benefit associations may not merge with other associations not having the status of public benefit save after approval of the general assembly of each association and following issuance of a resolution from the Prime Minister based on a submission from the competent minister.

**Section Four: Shelter Houses**

**Article (38):**

No buildings shall be allocated for the hosting of children, elderly people, patients with chronic diseases, disabled or other needy people for social care, unless a permit from the Administrative Body is issued and following notifying the concerned Regional Federation under its scope the house is located. The executive regulations of this law shall define rules and procedures for granting and cancellation of such permit.

The Regional Federation and the General Federation of Civil Work, individually or collectively, shall monitor the activities of these houses. In case any violations are detected, they shall immediately notify the Administrative Body with the appropriate recommendations. The executive regulations shall define the types of violations and the courses of action in each violation.

**Chapter Three**

**National Foundations**

**Article (39):**

In relation to the foundations subject to the provisions of this law, all provisions concerning associations apply to the foundations unless otherwise provided by a law or by their articles of incorporation except for provisions that are related to associations by nature.

**Article (40):**

A national foundation is established by allocation of no less than fifty thousand pounds for a specified or unspecified period to achieve a nonprofit purpose. Those managing the foundation may not disburse the allocated funds except for payment for the activities of the foundation. This amount may not be refunded except in case of dissolution and liquidation of the foundation.

**Article (41):**

The establishment of a national foundation may be made by one founder or a group of founders of natural or legal persons or both. Founders shall develop articles of incorporation that contain in particular the following data:

1. Name of the foundation, its geographical scope and its management location in the Arab Republic of Egypt.
2. The purpose behind the establishment of the foundation.
3. Detailed statement of funds allocated for the realization of the foundation purposes.
4. The 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 executive manager.

A national foundation may be established by an official instrument, a declared will or a registered endowment as per the endowments law. Each of these documents may be considered as articles of incorporation for the foundation provided they contain the information mentioned in the previous paragraph. The executive regulations of this law shall be enclosed with a model statue for guidance.

**Article (42):**

Whenever the establishment of a national foundation is via an official instrument, it is permissible for the founder(s) to abolish it by another official instrument.

**Article (43):**

The legal personality of the national foundation is proven according to the declaration procedures of associations based on an application from the founder of the foundation, the chairman of the board of trustees or the person appointed to execute the will.

**Article (44):**

Every national foundation shall have a board of trustees composed of an odd number of no less than five persons appointed by the founder or founders. The chairman and members may, or may not, be from those trustees.

The Administrative Body and the Regional Federation shall be notified of such appointment and of any changes in the board of trustees.

In case no board of trustees is appointed or the occurrence of vacancy of one or more positions in the board and it becomes impossible to appoint their substitutes following the method indicated in the articles of incorporation, the provisions indicated in article (33) of this law shall apply.

**Article (45):**

The board of trustees shall manage the national foundation in accordance with its articles of incorporation. The chairman shall represent the foundation before judiciary and third parties.

**Chapter Four**

**Civil Work Federations and Gatherings**

**Section One: Networks, alliances, initiatives, specialized and Regional Federations**

**Article (46):**

Networks, alliances, initiatives, and specialized federations shall be registered in the Regional Federation in accordance with the address of their premises.

**Article (47):**

One Regional Federation shall be established in every province in which national associations, foundations and other organizations subject to this law shall be registered pursuant to article 6.

**Article (48):**

Any number of organizations subject to this law have the right to establish a specialized federation, network, or any other form of federations for a limited or unlimited period. The establishment agreement shall define the articles of incorporation of this federation or general federation of associations, its regulations, institutions and the method of practicing its powers, the methods of funding and dissolution and termination of its activities. The establishment of this federation or general federation of associations shall be notified in the same manner provided for in this law as for associations.

The federation may not refuse the request of the association or any of the organizations subject to this law whenever the accession conditions are met.

The board of directors of this federation must notify the Administrative Body and the Regional Federation within thirty days of every development related to the creation of the federation or its competencies as well as the new members who joined the federation or the old numbers who withdrew.

**Article (49):**

Associations, foundations and other organizations of civil work at the province level may subscribe voluntarily in the Regional Federation based on an annual subscription fee to be defined in the executive regulations of this law. The board of directors of the federation shall elect a board of directors from among the representatives of the organizations. The board of directors shall compose of a chairman and twelve members. The term of the board shall be four years.

The board is concerned with caring to the interests of associations, solving the problems among them and implementation of supporting activities serving the organizations of their members. The executive regulations may define other competencies for the board.

**Article (50):**

The boards of directors of different federations shall communicate to the Administrative Body every development related on the establishment of those federations or their competencies as well as the new members who joined or the old members who withdrew.

**Section Two: The General Federation of Civil Work**

**Article (51):**

A General Federation for Civil Work Organizations shall be established with a legal personality. It shall comprise all civil work organizations in a voluntary manner. The federation shall have its headquarters in Cairo. The management of the federation shall be assumed by a board of directors composed of thirty five members, including the chairman, elected from among the members of the civil work organizations. The term of the board shall be four years. The bylaws shall define the candidacy conditions, the method of elections and competencies of the general federation of the civil work organizations. The Federation shall have the following functions:

1. Developing an overall concept on the role of civil work organizations in implementing development programs.
2. Conducting necessary technical studies to support civil work organizations in fostering their financial resources.
3. Organizing programs for building and developing the capacities of civil work committees and their members.
4. Establish a database for all organizations working in civil work.
5. Develop necessary studies to improve civil work and the bases for classification of national organizations subject to this laws.
6. Develop an annual report on the accomplishments of national organizations with an evaluation for their capacities and proposed solutions for obstacles hindering their work.
7. Propose necessary amendments to legislations regulating national work and coordinate with relevant authorities to issue legislations to strengthen and empower civil work organizations to fulfill their roles in development plans implementation and to contribute in formulating state policies.

**Article (52):**

The general federation shall hold an annual general conference composed of chairmen of the boards of directors member civil work organizations and other civil work organizations. People concerned with the civil work may be invited to attend this conference to deliberate on issues referred thereto by its technical committees or by the regional or specialized federations or other national organizations stipulated by this law.

**Chapter Five**

**Section One: Coordination Committee**

**Article (53):**

A Coordination Committee of nine members shall be established by a resolution from the Prime Minister. The competent minister shall serve as the chairman of the committee and it shall have the following members:

* Four representatives of concerned ministries or agencies to be selected by competent ministers
* Four representatives of civil work organizations to be selected by the General Federation of Civil Work Organizations.

This committee shall be responsible for issuing decisions in everything related to the work of foreign non-governmental organizations in Egypt and foreign funding.

The committee may make use of any experts or concerned people as it deems appropriate.

Concerned parties shall be invited when their issues are discussed.

The decisions of the committee shall be reasoned and final. Concerned people may appeal against them before the competent court subject to the appeal deadlines and procedures as provided for in administrative decisions. The court shall decide in the appeal within fifteen days.

The committee shall meet a least once a month, and whenever necessary, by an invitation from its chairman.

The committee shall have a permanent technical secretariat whose members shall be appointed by the competent minister. The executive regulations shall define the functions and registers of the technical secretariat in order to help the committee in performing its functions.

**Article (54):**

The Coordination Committee shall decide in applications submitted to it from foreign non-governmental organizations referred to in section 2 and 3 of this chapter within 30 days of the date of submitting the application.

**Section Two: Foreign NGOs created under international conventions and agreements**

**Article (55):**

The nongovernmental organizations established in accordance with international agreements concluded by the Arab Republic of Egypt are regulated by the provisions stipulated by those agreements. The provisions of this law apply whenever there is no special provision in those agreements.

**Article (56):**

Foreign nongovernmental organizations, established according to an international convention or agreement, should submit to the Coordination Committee an application for license attached with a copy of the convention or agreement. The proposed activity shall not infringe the provisions of the relevant convention or agreement. The Coordination Committee shall issue a dated receipt confirming receiving the application for license. This receipt represents a legal document that can be invoked before official bodies.

The Coordination Committee shall decide in the application within the timeframe mentioned in article 54 hereunder. If this period elapses without issuing a decision from the committee, the organization shall acquire the legal personality. The organization may recourse to the competent court if the committee objects and its objection was grounded on alleged divergence between the activities of the organization and the convention or agreement unless the international agreement or convention provides otherwise. In case a rejection decision is issued, the document mentioned in the second paragraph of this article shall be invalid.

**Section Three:**

**Foreign NGOS Not Created Under International Agreements and Conventions**

**Article (57):**

A foreign NGO not established pursuant to an international agreement of convention may proceed in any activity in the Arab Republic of Egypt after having a permit from the Coordination Committee, a judicial verdict or after not receiving a reply to its application within the legal deadline provided for under article 54 hereunder.

The executive regulations shall define procedures for application for a permit, its duration, data and information that must be included in the application for permit and supporting documents that must be included. Upon applying for the permit or its renewal, the organization shall pay a fee to be determined in the executive regulations of this law but shall not exceed five hundred pounds. This fee shall be transferred to the fund of the Civil Work Organizations Support Fund.

In all cases, the permit shall be for 5 years renewable or as per the time schedule of the action plan, whichever is shorter.

In all cases, the activity of the permitted organization should be consistent with constitution and law.

The main office of the foreign NGO in Egypt must be in any capital city of the provinces or the Arab Republic of Egypt. If the organization desires to establish other branches in the provinces according to its permitted activities, the approval of the Coordination Committee is conditional in this case.

**Article (58):**

Any governmental authority may practice activities or implement projects with participation of foreign nongovernmental agencies or organizations after notifying the Coordination Committee .

**Article (59):**

It is permissible for a foreign nongovernmental organization to practice any licensed activity under this law in the Arab Republic of Egypt as long as its activities are not partisan activities that are practiced by political parties and that infringe national sovereignty.

**Article (60):**

The foreign NGO should spend its funds to achieve its purposes in line with the rules of the activities it is permitted to practice in the Arab Republic of Egypt and shall observe the constitution and law.

**Article (61):**

Following declaration of the foreign NGO, it shall have the right to rent real estates and buildings necessary to enable it achieve its purposes observing the provisions of relevant laws.

The organization is not allowed to use its premises to achieve purposes or practice unpermitted activities.

**Article (62):**

The foreign nongovernmental organization permitted to work in the Arab Republic of Egypt shall be subject to the monitoring of the competent Coordination Committee in accordance with the provisions of this law. It should submit to the committee a semiannual progress report during the period of its permitted activities, a report of its annual financial accounts and any other reports, data or information requested by the Coordination Committee in relation to the organization or its activities.

The foreign NGO shall send a copy of these documents to the Regional Federation under which the main office of the organization is located. The Regional Federation shall publish these reports on its website. Any concerned person may examine these reports at the premises of the Regional Federation.

The Coordination Committee may object to any of the activities or funding channels through a registered letter to the organization requiring the removal of the objection reasons within 15 days. If the organization does not act. The chairman of the Coordination Committee shall establish a committee for financial and administrative examination to examine the objection and the reasons for the inaction from the organization side. If the objection justifications are supported, the Coordination Committee shall inform the organization to remove the causes of objection within 15 days. If the organization refrains, the Coordination Committee may refer to the competent court requesting the temporary suspension of the activity until a conclusive verdict is issued. The executive regulations of the law shall define the composition of the financial and administrative examination committee, its functions and procedures.

**Article (63):**

Egyptian civil work organizations wishing to obtain foreign funding shall apply to the Coordination Committee requesting a funding permit. The request shall be attached to a brief about the programs, projects or activities to be implemented by this funding as well as all other documents as set forth in the executive regulations.

As for the applications of Egyptian national organizations subject to this law for the funding of relief programs and activities outside Egypt, a reasoned reply shall be issued within no more than one week as of the date of application submission. The applicant may appeal against any refusal before the competent court. The executive regulations of this law shall define the necessary procedures for issuance of the permit.

In all cases, if any Egyptian organization licensed to obtain foreign funding wishes to obtain a new funding, it has to apply to the Coordination Committee requesting a permit for that funding under paragraph 1 of this article. However, the organization shall be exempted from submitting this request if the new funding is coming from the same funding source. In this case, the organization shall notify the Coordination Committee by this funding via a registered letter within 15 days of the date of its receipt.

The executive regulations of the law shall define the procedures for the issuance of funding permit and the data to be included in the notification of the new funding mentioned in the previous paragraph. Upon requesting the permit, the organization shall pay a fee to be defined in the executive regulations of this law. The fee shall not exceed 1000 pounds and shall be credited to the Civil Work Organizations Support Fund.

**Article (64):**

In case the work of a foreign NGO is terminated voluntarily or judicially, its monies shall be transferred to one of the Egyptian civil work organizations subject to this law working in the same field in which the foreign NGO operates, or an approval may be granted to the foreign NGO to transfer these funds to abroad.

The management of the foreign NGO may have the option to choose any of the above two alternatives following settlement of all dues to different Egyptian organizations on the organization.

**Chapter Six**

**Civil Work organizations support fund**

**Article (65):**

Within the General Federation of Civil Work, a fund shall be established to support the civil work organizations. The support fund of the national associations and foundations established in the Ministry of Insurances and Social Affairs according to law no. (84) of 2002 shall inure to that fund with all its rights and liabilities.

**Article (66):**

The fund shall have a board of directors chaired by the Chairman of the General Federation and membership of the following:

1- Five members of the civil work organizations participating in the General Federation of Civil Work Organizations meeting the conditions stated by article (67) of this law elected by the board of directors of the general federation provided that each of them represents a different specialized activity and one of them shall be a representative of public benefit associations.

2- Three members from public figures concerned with civil work selected by the General Federation of the Civil Work Organizations.

3- Three members from representatives of concerned ministries (Ministry of Social Affairs, Ministry of Finance and Ministry of International Cooperation).

The duration of the board of directors of the fund shall be four years. It is permissible to reappoint the member for further periods. The formation of the fund board of directors shall be in accordance with a decision issued by the competent minister. The executive regulations shall define the work order in the fund.

**Article (67):**

The board of directors of the General Federation of Civil Work Organizations shall select the eight members in the fund board of directors from among the members of those organizations which meet the following conditions:

1- They should have been established in accordance with the provisions of this law.

2- The reports of the auditor, balance sheets and final accounts for the three previous years prior to the election should ascertain the integrity of their financial position.

3- They should not have committed any of the violations stipulated by this law within the previous five years to the application for election.

An organization represented by a member of the board of directors of the fund shall not be obtain any grants or benefits usually provided to its members.

**Article (68):**

The board of directors of the fund is the governing body of its affairs and it has particularly the following powers:

1. Take necessary actions to develop the fund resources
2. Conduct necessary studies in relation to the financial situations of the associations and the priorities of supporting them
3. Collect financial data of national organizations and their expanding activities. Issue publications enabling donors in country and outside to define the amount of their contributions. Prepare and publish the annual guide that enlists all national associations, foundations and the other national organizations subject to this law to enable citizens of effectively contributing to them and participating in the voluntary social action.
4. Set controls related to distribution of subsidies
5. Distribution of subsides to all national associations and foundations subject to this law
6. Issue an annual financial report and a report about the activities of the fund. This report shall be published in a daily widespread newspaper.

**Article (69):**

The resources of the fund shall compose of the following:

1. Amounts allocated in the public budget of the State to support national associations and foundations established in accordance with the provisions of this law.
2. Donations, assistance and grants received by the fund
3. The inured funds of the dissolved national associations, foundations and federations
4. Additional fees imposed for the benefit of charitable works
5. Fees collected pursuant to this law.
6. Awarded fines pursuant to the last paragraph of item 3 of article 70 hereunder.
7. Any other resources decided by the board of directors of the fund

The board of directors shall develop financial regulations to be approved by the Minister of Finance stating the remaining resources and the method of disbursement.

**Chapter Seven**

**Penalties and fines**

**Article (70):**

Without prejudice to any severer penalties stipulated in the Penal Code or any other law, the following acts contained in this article shall be punished as follows:

**First**: A fine not less than fifty thousand pounds and not more than one hundred thousand pounds shall be imposed on whoever may have created an association with armed activities or formations. In this case, the competent court shall rule the dissolution of the association if activities were performed under its name. Members of its board of directors shall be prohibited from being members in boards of directors of any national organizations for a period of ten years.

**Second:** A fine of no less than twenty thousand pounds and no more than one hundred thousand pounds and prohibition from membership of any board of directors of any civil work organization for ten years shall be imposed on whoever made profits from exemptions provided for in article 11 hereunder. The association shall be deprived from these exemption for a period not less than 5 years and not more than 10 years.

**Third**: A fine of not less than ten thousand pounds and not more than one hundred thousand pounds and prohibition from membership of any board of directors of a civil work organization for no less than one year and no more than five years shall be imposed on whoever:

1. Spends the monies of any civil work organization for purposes other than the designated purposes, for personal purposes or speculated in financial operations in violation of the provisions of this law.
2. Receives, in his capacity as a chairman or member of any organizations subject to this law (whether this capacity is true or impersonated), funds from abroad or send funds to abroad without having a permission from the Coordination Committee or notifying it in violation of provisions of the last paragraph of article 63 hereunder.
3. Disposes the funds of any civil work organization against which a dissolution or liquidation ruling was issued or whoever issues a decision in this respect without a written order from the liquidator.

In cases mentioned in “first” and “second” above, the court shall order the defendant to refund amounts equivalent to the amounts he received, sent, collected, spent, speculated by or disposed or the benefits he gained as the case may be. The yield of that fine shall inure to the Civil Work Organizations Support Fund.

**Article (71):**

The Administrative Body or any interested person may recourse to the competent court to object to any of the decisions of the general assembly or the board of directors of the association or any of its activities. The court may issue a verdict with immediate enforcement except in case the verdict is to dissolve the association and liquidate its funds, in such case the verdict shall not be enforced until its becomes conclusive.

**Article (72):**

If any of the organizations subject to this law breaches its articles of incorporation or committed any breach to the provisions contained hereunder in the following cases:

1. Disposal or allocation of its funds for purposes other than those for which it was established;
2. Targeting the realization of profit for members of the organization, its board of directors or conducting any activity that violates the control provided for under item 2 of article 10 hereunder.
3. The organization receives funds or donations in violation of the provisions stipulated by this law;
4. The organization joins, involves in or affiliates to a club, association, body or a foreign organization in violation of the provisions of law.

The competent court shall apply one of the following penalties pursuant to the seriousness of violation attributed to the organization:

* Obligating the organization to remedy the violation within the period estimated by the court
* Cancellation or suspension of the objected activity
* Freezing the activity of the violating member or freezing his membership in the board of directors
* Partial or complete removal from the board of directors
* Freezing the activity of the organization for a limited duration
* Dissolution of the organization and liquidation of its funds

**Article (73):**

In case it is ruled that the elected board of directors of the organization is removed, the court must include to its ruling the appointment of a committee of three persons from the members of the general assembly other than the members of the removed board of directors to act as a judicial receiver. These members shall be nominated no less than 25% of the general assembly members.

In case the general assembly was itself the board of directors, the court shall appoint a committee from outside the organization tasked with conducting fresh elections according to the articles of incorporation within a period not to exceed 60 days from the date the verdict issued by appointment becomes conclusive. The committee shall have the powers of the chairman of the board of directors of the organization in preserving its rights provided that it presents a complete report about its works to the first general assembly for approval.

**Article (74):**

If the organization is dissolved pursuant to this law, one liquidator or more shall be appointed for it. This appointment shall be made by the general assembly if the dissolution was voluntary or by the court if the dissolution was judicial. In all cases, the rules provided for by the articles of incorporation shall be followed in relation to the outcomes of liquidation. The appointment decision of the liquidator should include tasking him to transfer the funds of the dissolved organization to the Civil Work Organizations Support Fund if the articles of incorporation of the association do not specify the association or entity to which the outcomes of liquidation may inure.