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In the Name of God

Law On Establishment & Activities of Non-Government Organizations (NGO)

Preamble

In view of the fact that non-government organizations (NGO) are capable to voluntarily and peacefully pursue non-profit and non-political objectives, they have so far managed to materialize and attain several humanitarian goals. Clear examples of such organizations in the Islamic Republic of Iran are Iranian charity and relief aids organizations, which make every effort to regianoulas tenets.

The need for a unique and comprehensive law governing NGO's stems from feeling the responsibility for the humanitarian and benevolent activities of the public who intend to render voluntary, non-profit and non-political services. Further need for such laws is felt when one considers that not only the existing laws and regulations are incapable to support such activities within the framework of NGO's but also that they sometimes even place restrictions and impediments on the way of their activities.

In view of the above and in implementation of Article 26 of the IRI's Constitution which renders support to public contributions and cooperation as well as the institutes which pursue benevolent objectives of public utility, and in conformity with the advanced articles mentioned in the Constitution of Islamic Republic of Iran as well as Article 182 of the Third Economic, Social and Cultural Development Plan, below shall be presented the drafted Law on the Manner of Establishment, Registration and Activities of Non-Government Organizations.

CHAPTER ONE: GENERALITIES & DEFINITIONS

Article 1: The definition of the words and phrases used in the present Law are as follows:

- a. Non-Government Organization, hereinafter called "NGO", means the institutes which shall be voluntarily established by natural persons or legal entities and which shall pursue non-profit and non-political objectives in conformity with their articles of association.
 - o **Note 1:** The NGO mentioned in the present Law shall apply to any society, group, association, center, etc., as well as connection networks such as assemblies, networks, clubs, etc.
 - o **Note 2:** By non-profit, it is meant that the objectives pursued by NGO are non-commercial and non-trade in nature. Accordingly, the balance of annual income of such organizations shall be utilized in favour of

the affairs of public utility, mentioned in the relevant articles of association.

- **Note 3:** By non-political objectives, it is meant that NGO, as a legal entity, shall not be authorized to engage in political activities.
 - **Note 4:** It shall be authorized for NGO's to be active in connection with charities, relief aids, human rights, the affairs relevant to women, juvenile, and children, as well as health, treatment and preservation of the environment.
 - **Note 5:** It shall be authorized to establish NGO's in order to render services in the form of a single-purpose or multi-purpose organization.
- b. Articles of association is a document in conformity with which NGO's shall be established, and which shall specify the manner of establishment, administration and dissolution, as well as the objectives, rights, obligations, duties and organs of NGO's.
 - c. Board of founders means the individuals who shall be in charge of the establishment and registration of the NGO.
 - d. By "establishment", it is meant the phases which shall commence as of the formation of the board of founders, and which, after having observed the legal formalities, shall result in the issuance, by legal forums, of an authorization for NGO activities.
 - e. Registration office is a unit located in the municipalities which shall be in charge of registering NGO's and issuing the authorization for activities by NGO's, in conformity with the legal provisions.
 - f. Authorization for NGO activities shall be considered as a document by virtue of which NGO shall constitute a juridical entity.
 - g. Supervision means the mechanism and processes in conformity with which competent authorities shall exert control over NGO's in compliance with legal provisions.
 - h. Supervision committee is the authority competent to exercise control and supervision over the NGO activities. It shall be situated in the governors' offices. Its members and duties shall mentioned and specified in the relevant chapter of the present Law.
 - i. Dissolution means the processes on the basis of which an NGO shall be dissolved.

CHAPTER THREE: REGISTRATION OF NGO'S

Article 18: All individuals shall be authorized to apply for registration of an NGO. However, the board of founders shall have the following qualifications:

- a. A minimum of 18 years of age

- b. Iranian nationality
- c. Abidance by the IRI's Constitution
- d. Clean record

Note: The board of founders shall have at least seven (7) members.

Article 19: The board of founders shall be required to submit to the municipality of the city or the nearest municipality of the village where it shall be considered as the place of activities of NGO, the following documents:

- a. The application form
- b. A copy of Identification card of the members of board of founders
- c. Clean record of the members of board of founders
- d. Articles of association of the NGO
- e. Particulars form filled in
- f. The minutes of the first meeting of the board of founders

Note: The Ministry of the Interior shall, within one months after the date of approval of the present Law, submit a copy of the particulars form, mentioned in sub-paragraph (e) of Article 19 above, to the municipalities nation-wide.

Article 20: The articles of association of NGO shall contain the following:

- a. Objectives of the NGO
- b. General policies
- c. Duration and nationality
- d. Place of residence/activities
- e. Manner of establishment of branches
- f. The organs, organizational structure and manner of appointment, job description, scope of powers and responsibilities of such organs as well as the authorized signatories.
- g. Membership qualifications
- h. Initial capital and assets
- i. Financial recourses

Article 21: After having received the application form produced by the NGO's, municipalities shall, within one month, proceed to notify their confirmation and verification of the documents in order to subsequently register the NGO and issue the required authorization for NGO activities and finally have the facts and circumstances in this regard published in the Official Gazette of Islamic Republic of Iran.

Note 1: The municipalities shall monthly dispatch to the relevant governor's offices a copy of particulars of registered NGO's.

Note 2: The Ministry of the Interior shall set up a data bank of NGO's which may be put at the disposal of natural persons or legal entities upon their request.

Article 22: The NGO's mentioned in the present Law shall be considered as juridical entities as of the date the authorization of activities shall be issued.

Article 23: In cases where a municipality shall fail to communicate its opinion or if it shall refrain from issuing the authorization of activities within the respite mentioned in the present Law, the forum to which complaints shall be submitted shall be the supervision committee. The supervision committee shall, within one month after the receipt of the complaint, proceed to consider the complaint. If the complaint shall be found justified and reasonable, it shall have the municipality concerned issue the authorization of activities.

Article 24: The NGO's shall be bound to notify to the relevant municipality the facts and circumstances concerning the amendments in the articles of association, and the changes in directors as well as the addresses. The municipalities shall accordingly be bound to publicize such changes in the Official Gazette within one month.

Article 25: The NGO's registered prior to approval of the present Law, shall be duty-bound to submit to the relevant municipality a copy of the particulars form mentioned in sub-paragraph (e) of Article 19 of the present Law together with the notice of establishment as well as the latest change(s) in the NGO, in order to have them registered in the relevant registers.

Article 26: The establishment in Iran of branches and/or representative offices of international NGO's shall be subject to issuance of an authorization for their activities by the Ministry of the Interior. The foreign nationals shall be authorized to set up NGO's in the Islamic Republic of Iran and/or to render activities in Iranian NGO's. The executive by-laws of the present Article 26 shall be jointly prepared within three (3) months after the date of approval of the present Law, by the Ministry of the Interior and the Ministry of Foreign Affairs, to be subsequently approved by the Council of Ministers.

CHAPTER FOUR: SUPERVISION

Article 27: The supervision committee in every city shall comprise the following members:

- a. The governor or his representative
- b. The mayor or his representative
- c. A member of the Islamic council to be appointed by the members.
- d. Two members of the NGO's situated in the same city

Note: The member of the supervision committee shall be appointed biennially as of the date of approval of the present Law.

Article 28:

- a. The secretariat of supervision committee shall be located in the governor's office. The secretary shall be appointed from among the members by the supervision committee members.
- b. The meetings which shall be held by the supervision committee shall have a quorum if attended by a minimum of two thirds (2/3) of the members. The meeting shall be presided over by the governor or his representative.
- c. The resolutions adopted by the majority of votes of the supervision committee shall legally be valid and indispensable.
- d. The meetings of supervision committee shall be held monthly or upon a request by one third of (1/3) the members and at the invitation of the secretary of supervision committee. The letters and correspondence shall be signed by the secretary. The supervision committee shall be authorized to invite, upon a proposal submitted by a minimum of one-third of the members, other NGO's or experts to attend the meetings of the supervision committee.

Article 29: The duties of the supervision committee in every city shall be restricted simply to the NGO's whose place of activities shall be the same city. Such duties shall be as follows:

- a. To receive reports on the annual executive operations of the NGO's.
- b. To receive reports on the annual financial operations of the NGO's.
- c. To consider and examine the reports made on the violations of NGO's.
- d. To consider and make comments concerning the complaints made over the failure to issue authorization for NGO activities.
- e. To consider and examine executive and financial operation of the NGO's as the case may be.

Article 30: The supervision committee shall be competent to consider NGO's violations mentioned below:

- a. Failure to submit reports on executive and financial operations
- b. Submission of reports contrary to the fact
- c. To render activities contrary to the articles of association

Note 1: The supervision committee shall be duty-bound to report, in case it shall observe a public offence, the facts and circumstances to competent authorities.

Note 2: Consideration of other violations, claims and actions relevant to NGO's shall lie within the competence of competent authorities.

Article 31: The supervision committee shall be duty-bound, in case it shall receive reports on violations by NGO's mentioned in Article 30 above, to consider them at the presence of the representative of the NGO concerned. If it shall be established that the violation was committed, the following actions shall be taken:

- An oral notification with a one-month respite in order to rectify the situation
- A notification in writing to be recorded in the file, with a 15-day respite in order to rectify the situation.
- A written notice with a one-week respite to rectify the situation
- A request to be submitted to judicial forums for nullification of authorization of activities, if the situation shall not be rectified.

Note: The judgment by the supervision committee shall be liable to reconsideration in the public court of the same city within 15 days of the date of notification of the judgment.

CHAPTER FIVE: DISSOLUTION

Article 32: Voluntary dissolution of the NGO's mentioned in the present Law shall comply with the provisions made in the articles of association. However, compulsory dissolution shall take place by virtue of a judgment to be rendered by a competent court.

Note: In case of voluntary dissolution, the liquidator shall be appointed in compliance with the articles of association. However, in case of compulsory dissolution, if the liquidator shall not be specified and appointed in the relevant articles of association, the court shall appoint the liquidator while it shall proceed to pronounce dissolution judgment.

Article 33: It shall be prohibited to divide, following the dissolution, the assets of the NGO's among the founders, members, directors and/or managers of NGO's.

Note: Personal assets and properties of individuals shall not be subject to the provisions made in Article 33 above.

CHAPTER SIX: MISCELLANEOUS REGULATIONS

Article 34: The executive by-laws of the present Law shall be prepared, within three months after the date of approval of the present Law, by the Ministry of the Interior, to be subsequently approved by the Council of Ministers.

Article 35: The laws and regulations which stand contrary to the present Law, shall be considered null and void as of the date of approval of the present Law.