

Regulation on Associations 2015/R-180

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Chapter One - Preliminary Provisions

- 1 - Introduction** This regulation is drafted under Act 1/2003 (Associations Act). The Ministry of Home Affairs is responsible for the overall administration and implementation of this regulation.
- 2 - Title** This regulation shall be cited as “Regulation on Associations”
- 3 - Objective** The objective of this regulation is to establish and publicise the procedures and standards for incorporation of and management of activities of associations in the Maldives, including management of an association’s money and property, financial transactions, and winding up and dissolution of associations.

Chapter Two - Incorporation and Management of Associations

- 4 - Submissions for registration of associations**
- (a) Any association wishing to operate in the Maldives must be incorporated and registered on the Register of Associations, as per section 2 of Act 1/2003 (Associations Act).
- (b) Persons desiring the incorporation and registration of an association shall complete and submit to the Registrar of Associations, the form attached in Annex - 1 of this regulation, along with the following documents:
- i. Copy of the national identity cards of those wishing to be founding members of the association;
 - ii. Criminal records of the founding members. The criminal record form is attached in Annex - 2 of this regulation;
 - iii. Letter of no objection, by the owner of the property at which the associations secretariat will be registered;
 - iv. Two print outs and softcopy of the association’s Governing Regulation;
 - v. Drawing and soft copy of the association’s seal, logo, flag and color scheme (if any);
 - vi. The association’s motto (if any), and it’s meaning;
 - vii. If the association is being formed as an affiliate of a government office or a company, a letter of no objection from the respective government office or company;
- (c) Any person filing a submission to form an association under subsection (b) of this clause must be of age 18 years or older;

(d) An association cannot be registered under the name of a person who is found to have a criminal record or is currently under any kind of detention.

Comment [YR1]: Clarification needs to be made on the reasoning behind this point as this would not allow a person with AN criminal record (irrespective of time and type of crime) to form an association.

Is this best practise?

Suggestion: Identify and specify type of crime and / or make it time bound.

5 - Registration of associations

The Registrar of Associations shall consider submissions made under section 4(b) of this regulation and upon registering an association, in accordance with the provisions of Act 1/2003 (Associations Act) and this regulation, issue a certificate to the effect that the association has been registered.

6 - Operations of International Organisations

(a) International organizations, except those which come into being as a result of and agreement with the Maldivian government or those formed following Maldives ratification of international convention(s), shall operate in the Maldives only after obtaining a permission from the Registrar of Associations for operating in the Maldives, and registering a branch of that organisation in the Maldives in accordance with the provisions of this regulation.

(b) International organisations wishing to operate in the Maldives, in order to obtain permission to do so, shall complete and submit to the Registrar of Associations, the form attached in Annex - 3 of this regulation, along with the following documents:

- i. Organisation's objectives and details of planned activities;
- ii. A document disclosing all the assets belonging to the association;
- iii. A document disclosing the organisation's primary beneficiaries;
- iv. A document issued by the embassy of the country to which the organisation belongs to, granting permission to operate in the Maldives.

(c) The Registrar of Associations in considering submissions made by international organisations, requesting for permission to operate in the Maldives, shall take into account the extent to which the activities foreseen under the organisation are in line with and contribute to the national development plans and activities of related government institutions and the expected benefit to the government.

7 - Registration of International Organisations

International organisations with the permission to operate in the Maldives under section 6(b) of this regulation, shall register the organisation in the Maldives by completing and submitting to the Registrar of Associations, the form attached in Annex - 4 of this regulation, along with the following documents:

- i. Proof of registration in the country to which the organisation belongs;
- ii. Accredited copy and English translation of the organisation's Constitution or Governing Regulation;
- iii. If any of the persons wishing to register the organisation in the Maldives is a foreigner, then a criminal record of that person issued by the relevant authority from the respective country;
- iv. A copy of the organisation's resolution, expressing no objections to establishing a branch in the Maldives.

(b) Associations granted permission to operate in the Maldives, under section 6(c) should, in registering and managing the association, act in accordance with the provisions of Act 1/2003 (Associations Act) and this regulation.

8 - Register of Associations

(a) The Registrar of Associations, in accordance with Act 1/2003 (Associations Act) shall maintain a Register of Associations registered in the Maldives.

(b) The Register of Associations shall be published in the Gazette every year, before the

Comment [YR2]: Factoring in alignment with national development plans of the government when considering permission for registration might not be best practise as;

- a) Entails discretionary authority at the hands of the Registrar
- b) Leaves organisations at the risk of dissolution when governments / government priorities change
- c) Is disadvantageous to organisations focusing on 'non-development' related specific (eg: artistic / alternative) activities

Suggestion: Permission to be granted to all organisations that seek to operate lawfully in the Maldives.

1st of March.

9 - Management of an Association

After registration, associations may conduct its activities in accordance with the Laws and Regulations of the Maldives, and in accordance with the organisation's Governing Regulation. If any of the activities carried out by the association requires a special permit or authorisation from another state institution, then the organisation should obtain such permission accordingly.

10 - Disciplinary Standards of the Association

All associations must establish and pass a disciplinary standard that all of its members should abide by.

11 - Overseas operations of Maldivian NGOs

(a) An organisation registered in the Maldives in accordance with Act 1/2003 (Associations Act), may operate in a foreign country, in accordance with the Laws and Regulations governing associations in the respective country.

(b) Organisations (registered in the Maldives) wishing to operate outside of the Maldives shall submit to the Registrar of Associations, detailed information about the activities planned for overseas operations, beneficiaries and the expected gains to the Maldives from the planned activities, 15 days prior to commencement of overseas operations.

12 - Establishment and management of sub-branches of the organisation

(a) Any association wishing to establish a branch, except bodies and committees established for administrative purposes, shall do so, only after obtaining permission from the Registrar of Associations.

(b) Any association wishing to establish a branch, shall submit to the Registrar of Associations, information about where the branch of the association will be established, details of activities planned under the branch, details of beneficiaries and expected benefits and gains from activities conducted under the branch.

(c) The Registrar of Associations shall not grant permission to establish an additional branch of an organisation, if establishment of such branches is not foreseen in the organisation's Governing Regulation and if the establishment and management of the branch is in a manner that may result in loss of control of its branches.

Comment [YR3]: This poses administrative burdens on NGOs and gives discretionary power to the Registrar.

Suggestion:
- As NGOs should be registered at the inception anyway, a more reasonable requirement might be for NGOs to inform the Registrar rather than to obtain permission again.
- If obtaining permission cannot be overlooked, a clear time bound procedure with criteria needs to be specified.

Chapter Three - Name, Seal, Flag, Color and Motto of the Association

13 - Name of the Association

(a) The name of an association must be acceptable within the standards for naming association. Names that fits into any of the following cannot be registered:

- i. A name that is already registered in the Register of Associations or a name that could be confused with a name that is already registered in the Register of Associations;
- ii. A name that is well established and associated with an organisation outside of the Maldives, or a name that is well established and associated with a business brand within or outside of the Maldives;
- iii. A name of a state institution or a name that could be confused with a name of a state institution;
- iv. A name that does not suit or match the objectives and activities of the association;
- v. A name that does not have a meaning or has an incomplete meaning;
- vi. A name that is contrary to the values or ways of Islam or a name that is not acceptable on grounds of decency and security.

(b) If the proposed name of the association is not a common Dhivehi phrase, then the meaning of the phrase/name from the Maldivian dictionary and the intended meaning for the phrase/name should be specified. If the proposed name is an English phrase/name, then the meaning of the phrase/name from the English dictionary and the intended meaning for the phrase/name should be specified.

(c) The short name given to an association should be the abbreviated short form of the association's long name. Preference should be given to Dhivehi in naming associations.

14 - Changing the name of an association

(a) The name of an association shall be changed or revised, if a decision to change the name has been made in any one of the following circumstances or ways:

- i. Through a decision by the association's Executive Committee to do so;
- ii. Upon notification from the Registrar of Associations to do so;
- iii. Through an order issued by a Court to do so.

(b) The Executive Committee of an association shall change the association's name if such a decision has been made under subsection (a) of this clause. Changes or revisions brought to an association's name shall be passed with a simple majority in a general meeting of all members of the association, and the original of the resolution passed to change the name, along with two copies of the Governing Regulation of the association, should be submitted to the Registrar of Associations.

(c) The use of the name of an association that is wound up, or that has been changed since, shall be permitted only after five years since the association was wound up or the name was changed.

(d) Names of all associations on the Register of Associations must be brought in line with the standards specified herein within a period of one year of publishing the regulation.

Comment [YR4]: Often times it takes years of lobbying and hard work for NGOs to make a name for themselves and establish themselves as a 'successful' NGOs. This gives unreasonable discretionary power to the Registrar since the name has already been registered at the initial registration.

Comment [YR5]: Need to clarify the 5 year gap requirement as to if it's the best practise and the reasoning behind.

Comment [YR6]: Often times it takes years of lobbying and hard work for NGOs to make a name for themselves and establish themselves as a 'successful' NGOs. This gives unreasonable discretionary power to the Registrar since the name has already been registered at the initial registration.

Suggestion: Perhaps this could be applied for all new registrations instead of existing ones.

15 - Registering the seal, flag, color and motto of the association

(a) An association wishing to use a specific seal, flag, color or motto shall submit to the Registrar of Associations, the form attached in Annex - 5 of this regulation, along with the following information, for registering the association's seal, flag, color and motto:

- i. Drawing (to scale) and soft copy of the seal and flag proposed for registration, along with the color code;
- ii. Details of the meaning of seal, flag, color and motto proposed for registration;
- iii. The order of the color(s) proposed for registration.

(b) If a seal, flag, color and motto proposed for registration are similar to an already registered seal, flag, color, and motto, and registering them under another association as requested will create confusion, then such a seal, flag, color and motto shall not be registered.

(c) A seal, flag, or a motto that contains images and materials that are contrary to the values and way of Islam, are considered disrespectful and could be seen as a threat to national security, shall not be registered.

(d) If an association uses a seal, flag, color or motto without registration, then that association will be subject to a fine of MVR 500.

16 - Changing the seal, flag, color and motto of an association

(a) The use of a seal, flag, color or motto of an association that is wound up, or that has been changed since, shall be permitted only after five years since the association was wound up or the seal, flag, color or motto was changed.

(b) The seal, flag, color, or motto of an association can be changed upon notification from the Registrar of Associations to do so, or in accordance with the provisions of the association's Governing Regulation with the approval of the Registrar of Associations.

(c) A submission to change a seal, flag, color or motto registered in accordance with section 15(a) of this regulation should be made with an accredited copy of the resolution deciding to change the seal, flag, color or motto, in accordance with the provisions of section 15(a) of this regulation.

Comment [YR7]: Need to clarify the 5 year gap requirement as to if it's the best practise and the reasoning behind.

Comment [YR8]: Often times it takes years of lobbying and hard work for NGOs to make a name for themselves and establish themselves as an identifiable 'brand'. This gives unreasonable discretionary power to the Registrar since the seal, flag, color or motto have already been registered at the initial registration.

Chapter Four - The Governing Regulation of an Association

17 - Passing and Registering the Governing Regulation of an Association

(a) Every association should have a Governing Regulation, in accordance with section 4 of Act 1/2003 (Associations Act).

(b) The Governing Regulation of an association must contain the following information and requirements:

- i. The name of the association;
- ii. Full address of the registered office of the association;
- iii. The objective(s) of the association;
- iv. That the income and properties of the association is not to be distributed among the

general members nor among the members of the Executive Committee;

v. That neither the founding members, nor the general members nor the members of the Executive Committee have any ownership rights to claim on any property or financial assets of the association;

vi. That any financial assets or property left over after paying off debts and liabilities of the association after its dissolution should be given away to another non profit association or to a government approved charity;

vii. Types of members and procedures on how to become a member of the association;

viii. Whether members of the association have to pay a membership fee or not and if there is a membership fee, the amount and procedure for the payment of membership fee;

ix. How the association will raise funds for operations and other activities of the association;

x. Designation of association's Executive Committee and responsibilities of these designations;

xi. Procedures for appointment, election and removal of members from the Executive Committee of the association;

xii. Procedures for conducting general meetings including, quorum, chairing and preparation of minutes of such meetings;

xiii. Procedures for conducting Executive Committee meetings, including quorum, chairing and preparing of minutes for such meetings;

xiv. How votes will be given at the General Meetings and Executive Committee Meetings of the association and how resolutions are to be passed in such meetings;

xv. Winding up of association;

xvi. How the Governing Regulation could be amended;

xvii. Length of the Executive Committee's term and the procedure for establishing the length of the Executive Committee's term;

xviii. Procedure for changing the association's seal, flag, color(s) and motto;

xix. The date for the Annual General Meeting and how the Annual General Meeting will be conducted;

xx. Procedure for preparing and passing of association's annual report;

xxi. Procedure for preparing and passing of association's annual financial statements;

xxii. The course of an action, following a decision to wind up or dissolve the association;

xxiii. Procedure for payments of debts and liabilities, following a decision to wind up or dissolve an association.

18 - Changing the Governing Regulation of an association

(a) An association may change the provisions of its Governing Regulation by passing a special resolution in a general meeting, subject to approval of the Registrar of Associations. Submission for the Registrar of Association's approval to change the association's Governing Regulation shall consist of an accredited copy of the above-mentioned special resolution and two copies of the association's Governing Regulation.

(b) The special resolution mentioned in subsection (a) of this clause, shall be passed by majority of members of the association and should consist of their signatures.

19 - Objective(s) of an Association

(a) Any responsibility invoked upon a state institution through a Law or Regulation, or the mandate of any government office cannot be listed as an objective of an association

(b) This regulation does not limit an association from assisting the government in making policies and assisting in coordinating and implementation of policies in various areas.

20 - Changing the objective(s) of an Association

If the Registrar of Associations is of the opinion that the objective(s) of an association are in contravention of provisions of section 19 of Act 1/2003 (Associations Act), then the Registrar of Associations shall notify that association to change its objectives

Chapter Five - Members of an Association

21 - Members of an Association

(a) The members of an association are individuals who accept the Governing Regulation of the association and who have become members of the association in accordance with the procedures detailed in the Governing Regulation of the association.

(b) All associations must maintain a register of all of its members, at its secretariat. This register must be up to date with details of members leaving and joining.

(c) Associations that operate at a national level, shall submit to the Registrar of Associations, an up to date register of all of its members, before 15th of January, every year.

(d) Every association has the right, to the extent possible under the association's Governing Regulation, to have members of different categories, paying varying amounts as membership fee, and with varying responsibilities.

(e) Legal entities can become members of an association, if the Governing Regulation of the association allows for such membership. However, companies, clubs and associations registered outside of the Maldives, cannot become a member of an association registered in the Maldives.

(f) Foreign individuals can be registered as members of friendship associations formed between Maldivians and foreign nationals of countries with which the Maldives maintains diplomatic ties. (best practice, right of everyone to participate)

Comment [YR9]: The basis behind this point needs to be clarified.

Since this would cover a lot of ground, this leaves little room for NGOs to independently operate as civil society actors with specific objectives. Further this;

- a) Entails discretionary authority at the hands of the Registrar
- b) Leaves organisations at the risk of dissolution when governments / government priorities change

Suggestion: Permission to be granted to all organisations that seek to operate lawfully in the Maldives.

Comment [YR10]: This would leave discretionary authority at the hands of the Registrar.

Suggestion: If obtaining permission cannot be overlooked, a clear time bound procedure with criteria needs to be specified

Comment [YR11]: Since annual reports will in any case be submitted every year with aggregate statistics on membership and turnover, the basis behind this point needs to be clarified.

Raises confidentiality concerns as all individuals may not feel comfortable with information disclosure. Additionally, this poses an administrative burden on NGOs

Comment [YR12]: Clarification needs to be made on the basis behind this point and whether this is in line with international best practises.

Would this restrict space for partnerships and affiliations with associations outside Maldives?

Comment [YR13]: Clarification needs to be made on the basis behind this point and whether this is in line with international best practises.

This also implies that foreign nationals falling outside the said parameters will not be allowed the right to participate

- 22 - Rights of Members**
- (a) Members of all associations registered under this regulation, have rights and responsibilities, as specified in the Governing Regulation of the respective organisation that he/she belongs to.
- (b) All members of an association shall have access to the association's register of members, annual reports and financial records, in accordance with the Governing Regulation of the association.

Chapter Six - Executive Committee of the Association

- 23 - Executive Committee**
- (a) Every association, shall in accordance with section 15(b) of Act 1/2003 (Association's Act), elect an Executive Committee of minimum three persons, including persons designated to be President, Secretary and Treasurer. Only Maldivians can be elected to the above-mentioned designations.
- (b) For all administrative and legal purposes, the Executive Committee must be responsible for the organisation.
- (c) If the term of the Executive Committee has expired, until the election of a new Executive Committee, the previous Executive Committee registered with the Registrar of Associations, shall be held responsible for the organisation on all administrative and legal matters.
- (d) The Executive Committee, in accordance with the Laws and Regulations of the country, may appoint legal counsel to represent the Committee in any judicial proceedings.
- (e) The same person should not be elected or appointed to fill two different posts within the Executive Committee. Any temporary arrangements to fill vacant posts on the Executive Committee shall be made in accordance with the Governing Regulation of the association.
- 24 - Criteria for members of the Executive Committee**
- Members of the Executive Committee must meet the following criteria:
- i. Be a member of the association;
 - ii. Be of 18 years or more, in age;
 - iii. Not be under any conditions of detention.
- 25 - Election the Executive Committee**
- (a) Within 6 months from the date of registration of an association under this Act, the association shall hold a general meeting to appoint or elect an Executive Committee in accordance with the Governing Regulations.
- (b) A new Executive Committee shall be elected at the least 30 days prior to the end of the term of an existing Executive Committee. Elections to elect persons to any position on the Executive Committee before the end of the Executive Committee's term shall be held within 30 days of the post becoming vacant.
- (c) Upon election of members to the Executive Committee, in order to register the Executive Committee with the Registrar of Associations, the association shall complete and submit to the Registrar of Associations, the form attached in Annex - 5 of this

regulation.

(d) Members shall be elected to all designations specified in the Governing Regulation of the association.

(e) Failure to register the Executive Committee with the Registrar of Associations, as per subsection (c) of this clause will be subject to a fine of MVR 500.

26 - Temporary Elections Committee

(a) In the event of death of founder members or failure of founder members to be responsible for the organisation during the interim period after registration of the association and before the election of an Executive Committee, a temporary committee to oversee the Executive Committee election shall be appointed from amongst the general members with guidance from the Registrar of Associations.

(b) Upon election and registration of the Executive Committee, the Executive Committee must be responsible for administering all the activities of the association.

(c) In the event of resignation of all members of the Executive Committee, the Registrar of Associations shall give permission to appoint from amongst the general members of the association, a temporary committee to oversee the election of the Executive Committee.

Comment [YR14]: This poses administrative burdens on NGOs and gives discretionary power to the Registrar.

Suggestion:

- A more reasonable requirement might be for NGOs to inform the Registrar rather than to obtain permission.
- If obtaining permission cannot be overlooked, a clear time bound procedure needs to be specified.

Chapter Seven - Annual Report and Accounts

27 - Annual Report and Accounts

(a) Every association shall prepare and submit for approval at the annual general meeting of the association, an annual report and accounts of the association in the previous year, after these had been approved and signed by the Executive Committee of the association. This report approved and passed at the annual general meeting shall be submitted to the Registrar of Associations before the 31st of March every year.

(b) The annual report in subsection (a) of this clause, is a report on the activities, income and expenditure of the association, in the previous year. For purposes of this report, a year shall be considered from January till end of December.

(c) Failure to submit the annual report and accounts to the Registrar of Associations by 31st of March will be subject to a fine of MVR 500.

**28 - Components of the
Annual report and
accounts**

The annual report and accounts of an association shall consist of the following components:

- i. Changes made to the name, secretariat or the Executive Committee of the association;
- ii. Changes made to the Governing Regulation of the association;
- iii. Number of times a meeting of the Executive Committee was held, and the important decisions passed at these meetings;
- iv. Number of times a general meeting was held, and the important decision passed at these meetings;
- v. Number of members that have left the organisation, number of new members that has joined the organisation, and the number of members with the organisation at the end of the year;
- vi. Activities conducted to achieve the objectives of the organisation;
- vii. Amount of funds raised and the means through which these funds were raised;
- viii. Details of expenditures and financial balance of the organisation at the end of the year;
- x. Details of all tangible and non-tangible assets of the organisation;
- xi. Planned activities for the coming year;
- xii. Accredited copy of the resolution signed by members of the Executive Committee, stating that the annual report and accounts was submitted to and approved at a general meeting of the organisation.

Chapter Eight - Preventing Money Laundering and Terrorism Financing

29 - Projects conducted by an Association

Associations may conduct projects at the island, atoll and national levels to achieve its objectives. Associations shall inform the Registrar of Associations before the start of any such project which is financed above a minimum of MVR 25,000.

30 - Budget Plan for Activities

(a) The annual report and accounts submitted to the Registrar of Associations shall consist of a budget plan for activities planned for the coming year. Such a budget plan should include the following information:

- i. Details of the activities planned for the coming year;
- ii. Detailed estimate budget of planned activities;
- iii. Details of the ways in which planned activities would be financed;
- iv. Details of the ways in which funds mobilised for activities will be expended;
- v. Details of any expected foreign assistance that would be mobilised to conduct activities;
- vi. Details of plans to mobilise resources for activities

(b) Associations shall also submit to the Registrar of Associations, details of expected recurrent expenditure of the association for the coming year

(c) Subsection (a) of this clause, does not prevent associations from making changes to activities planned to achieve the objectives of the association. Associations shall inform the Registrar of Associations of changes brought to activity and budget plans, within a period of 30 days of any such changes.

31 - Bank Account

(a) Every association shall have a registered bank account to manage all funds of the association.

(b) All funds of the associations shall be kept in the bank account mentioned in subsection (a) of this clause.

(c) Raising, receipt and transfer of funds for the association shall be managed and administered through registered financial institutions

32 - Fund raising

(a) When raising funds, associations should disclose the purpose for which funds are being raised.

(b) Funds raised under subsection (a) of this clause, shall be used and expended to achieve the objectives for which funds were raised.

33 - Doing business and borrowing in the name of the association

(a) In order to achieve objective(s) stipulated in the Governing Regulation, it is permitted for an association registered under this Act to carry out business transactions and borrow, as long as it is in accordance with the laws and regulations of Maldives while complying with the regulations of that association. Associations shall submit to the Registrar of Associations, the following information about any such transactions, before the start of any such transactions:

- i. Capital of the business and details of the manner in which that capital was acquired;
- ii. Type of business;
- iii. Information on how the association plans to manage the business;
- iv. Information on how profits from the business will be used to achieve the objectives of

Comment [YR15]: Since annual reports (and audit reports in some cases) will in any case be submitted every year, with detailed financial reports, the basis behind this point needs to be clarified.

Due to the low ceiling, this would cover majority of the activities by NGOs posing administrative burdens on NGOs.

Suggestion:

- Revise and raise ceiling.

-If this cannot be overlooked, a clear time bound procedure needs to be specified.

Comment [YR16]: Since annual reports (and audit reports in some cases) will in any case be submitted every year, with detailed financial reports, the basis behind this point needs to be clarified.

Poses administrative burdens on NGOs since It requires a great amount of budgetary details which may not be final or, in few cases, unknown, at the start of the year. Usually, funds are raised mid-year or are tied to grants etc; which may not be foreseeable at the start of the year

Suggestion:

- Clarify level of detail
- Specify a time-bound procedure (standardized form etc)

Comment [YR17]: This may not be a feasible time period and NGOs may need to inform a multiple times considering that work plans are bound to change through the course of an year.

the association

(b) Before doing business in the name of the association, associations shall acquire from the relevant state authority the required permits and authorisations to conduct business, and all business transactions carried out by the association should be in accordance with the laws and regulations of the Maldives

(c) Associations shall submit to the Registrar of Associations, financial accounts of businesses conducted in the name of the association along with the annual report and accounts of the association. These financial accounts shall provide information about the assets of the business, as well as details of income and expenditure.

34 - Seeking and Accepting Assistance from Foreign Parties

(a) Associations shall get approval from the Registrar of Associations, before seeking and accepting assistance from foreign parties. Submissions for such approval should specify information about the party from which assistance is being sought, the purpose for which assistance is being sought, the value or amount of assistance being sought and any conditions set by the party offering assistance.

(b) "Assistance from foreign parties" is any financial or in kind assistance offered by any foreign government, associations or individual(s).

35 - Abuse of the association's resources

(a) General members, members of the Executive Committee or the founding members of the association do not have any ownership rights over the assets of the association.

(b) The Registrar of Associations shall investigate into any alleged abuse of the association's assets by any member of the association. If allegations are found to be true upon investigation, the Registrar of Associations can order the member(s) involved to return the any such asset that was misused, within a specified time period.

36 - Auditing

(a) Associations that meet the following criteria should get audited by a government accredited audit firm, and submit the audit report to the Registrar of Associations:

- i. All associations operated at a national level;
- ii. Associations that received assistance of MVR 50,000 or more from the government of the Maldives in the past year;
- iii. Foreign Associations registered in the Maldives, in accordance with this regulation;
- iv. Associations that have conducted financial transactions of minimum MVR 500,000 or more in the past year.

37 - Right to information about the association

(a) The Registrar of Associations may at any time request an association to submit information about the association, including the register of the association's members, any administrative documents of the association, any financial records and documents of the association.

(b) The Registrar of Associations have the authority to take action against any association that submits false information in response to requests for information made under subsection (a) of this clause.

38 - Authority to inspect under special circumstances

The Police can to enter and inspect the premises(s) of the association or places where activities of the association are carried out, under a court order, if an association is alleged to engage in activities that undermine national security, interests and societal harmony.

Comment [YR18]:

This risks autonomy of NGOs to operate independently and restricts civil society space.

Seeking donor funds through project proposals and adhering to deadlines is in itself a time consuming and cumbersome process and this would only further complicate the process.

It needs to be clarified whether permission has to be sought at the time of submitting the proposal OR once the project has been awarded. In any case, this poses administrative burdens on NGOs and gives discretionary power to the Registrar.

Since annual reports (and audit reports in some cases) will in any case be submitted every year, with detailed financial reports, the basis behind this point needs to be clarified.

Suggestion:

- A more reasonable requirement might be for NGOs to inform the Registrar rather than to obtain permission.
- If obtaining permission cannot be overlooked, a clear time bound procedure with the criteria for approval needs to be specified.

Comment [YR19]: Clarification needs to be made as to whether this is best practise it implies discretion.

Specify what the 'investigation' would entail

Comment [YR20]: Auditing

Comment [YR21]: Clarification needs to be made on the basis behind this point (as annual narrative and financial reports will be submitted) and whether this is in line with international best practises.

The documents specified are organisational assets and may contain personal information.

Comment [YR22]: Suggestion: As this would apply to all entities regardless of being an NGO, it would be better to leave allegation any unlawful activity.

Chapter Nine - Suspension and Dissolution of Associations

39 - Suspending an Association

(a) The Registrar of Associations can under any one of the following circumstances, order an association to suspend all of its activities for a period of no longer than one year:

i. If there is conflict among the members of the Executive Committee and if any one member of the Executive Committee submits a complaint to the Registrar of Associations regarding such a conflict;

ii. Engaging in any activity that under the laws and regulations of the Maldives is specified as an act that undermines national security or societal harmony;

iii. An act that amounts to defamation of an individual;

iv. With the exception of awareness activities conducted to achieve an organisations objective, the use of an association's resources for political purposes and in political activities;

v. Conducting activities that does not fall under any of the objectives of the association;

vi. Subsection (a)v. does not prevent associations from conducting activities that falls outside of the objectives of the association, if such activity is a response to any natural disasters or emerging social issue.

Comment [YR23]: Clarification needs to be made as to whether this is best practise it implies discretion of registrar

Suggestion:
- Specify clear procedure of suspension on these grounds
- Registrar could rather take a more facilitative approach and guide the NG towards conflict resolution and dialogue (Could mediation be offered?)

Comment [YR24]: Implies discretion of registrar.

Suggestion: Defamation suits can be filed and contested in a court of law

40 - Dissolution of an association

An association registered under this regulation can be dissolved and wound up in any one of the following ways:

i. Through a decision of the association to wind up voluntarily;

ii. Through a decision of the Registrar of Associations;

iii. Through a court order.

Comment [YR25]: Clarification needs to be made as to whether this is best practise it implies discretion of registrar

41 - Voluntary winding up of an association

Voluntary winding up of an association may be decided by the association where acting in accordance with the association's Governing Regulation the members of the association have approved the dissolution by passing a special resolution in a general meeting of members of the association.

Suggestion:
- Specify clear procedure of dissolution on these grounds
- Registrar could rather take a more facilitative approach and guide the NG towards conflict resolution and dialogue (Could mediation be offered?)

42 - Decision made by the Registrar of Associations to Dissolve an Association

The Registrar of Associations can decide to dissolve an association under any of the following circumstances:

i. If an association failed to commence any activities set out by them within two years from the date of registration or an association failed to carry out any activity for a period of two years;

ii. If an association is repeatedly in contravention of Act 1/2003 (Associations Act) and this regulation; or committed an act mentioned under section 19 of Act 1/2003 (Associations Act).

iii. If an association suspended under section 39 of this regulation fails to take corrective measures as directed by the Registrar of Associations, or repeats an action which it was asked to stop

43 - Dissolving an association through a court order

Where an association is unable to settle its debts, or it is proved to the Court that the association has been repeatedly in default to comply with the statutory requirements or is managed for illegal purposes or where the court is of the opinion that the winding up of the association is the most just and fair solution in respect of the matter and the Court

orders the winding up of the association, then after giving a period to settle the debts and property of the association, the Registrar of the Associations should dissolve the association.

44 - Course of action in voluntary winding up

(a) Where an association decides to wind up voluntarily in accordance with section 40 of this regulation, the association shall do the following:

- i. Within seven days of the decision to wind up voluntarily, make a public announcement of the dissolution;
- ii. Settle any claim or debt, loan or charge brought against the association;
- iii. Donate any money or property leftover after paying off debts and liabilities of the association after its dissolution, to another non profit association or to a government approved charity.

(b) This regulation does not prevent an association from appointing a person outside of the association to carry out the tasks specified in subsection (a).

(c) In an association is unable to pay off its debts and liabilities as specified in subsection (a)iii, the Executive Committee shall be responsible to settle any such claims in accordance with the Governing Regulation of the association.

(d) Where an association decides to wind up voluntarily and due action has been taken in accordance with subsection (a) of this clause, the following information shall be submitted to the Registrar of Associations, within 45 days of the decision to wind up, to settle any outstanding matters and to complete the dissolution process:

- i. Accredited copy of the resolution passed at a general meeting to dissolve the association, or the court order to dissolve the association;
- ii. Details of assets remaining with the association at the time of dissolution;
- iii. Details of how any financial claims, debt, or loan payments of the association were settled;
- iv. Details of how the association handled any assets leftover after settling its debts.

(e) Where an association decides to wind up voluntarily, the association should not engage in any activities other than the due course of actions specified in Act 1/2003 (Associations Act) and this regulation.

45 - Dissolving an association

(a) If an association fails to settle its debts within the given time period and fails to inform the Registrar of Associations, the Registrar of Associations shall give away all assets of the association to another non-profit organisation or government approved charity, as seen suitable.

(b) In the event of an unforeseen event or incident, the Registrar of Associations can extend the period specified in section 44 (a) of this regulation.

(c) Upon completion of actions specified in section 44, the Registrar of Associations shall cancel the association's registration and dissolve the association.

(d) After cancelling the registry of an association in accordance with the regulation and after the Registrar of Associations makes a public announcement of the dissolution, all the rights and privileges attained due to the registration of the association comes to an end

Comment [YR26]: Clarification needs to be made as to whether this is best practise or it implies discretion of registrar

Suggestion:
- Specify clear procedure and criteria for transferring assets

and the association is dissolved. The Executive Committee or a person(s) specified in the Governing Regulation of the association shall be responsible for settling any outstanding debts after dissolution, and the Registrar of Associations shall not be held responsible for any actions taken or not taken by the association.

46 - Additional opportunities given to the association

(a) If a decision to dissolve the association has been made due to the association's failure to act in accordance with section 15 (b) and section 29 of Act 1/2003 (Association's Act), the association can write to the Registrar of Associations requesting for addition time to fulfil the requirements as in section 15 and 29 of Act 1/2003 (Associations Act). Upon receiving such a request, the Registrar of Associations may, in accordance with the authority vested in him/her under section 32(a) of Act 1/2003 (Associations Act), give additional time to the associations to operate the association. Granting of such additional time is conditional upon the association fulfilling the following requirements:

- i. Electing the Executive Committee of the association within a specified time and registering the Executive Committee with the Registrar of Associations and paying any outstanding fines in this regard;
- ii. Submitting a report on the activities of the association in the past two years, with any outstanding fines in this regard.

(b) Where an association has failed to fulfil the requirements in subsection (a) of this clause within the additional time given, the Registrar of Associations shall dissolve the association without any further notification.

Chapter Ten - Administrative Matters

47 - Electronic Communications

For purposes of this regulation, any communication sent through fax, email or notifications put on the ministry's website shall be considered "electronic communications"

48 - Email submissions

Submissions of documents to the Registrar of Associations, made through email shall fulfil the following criteria:

- i. If attaching documents to an email, the attached document should be a scan of the original document;
- ii. Submissions should be emailed to an email address decided by the ministry

49 - Sending and receiving communications through email

(a) Email communications sent to the Registrar of Associations should be sent using the email address on record for the association with the ministry.

(b) When the ministry of associations sends a communication to the email address of an association on record at the ministry, the ministry shall consider that the association has received that communication.

50 - Submissions made through fax

Submissions of documents to the Registrar of Associations made through fax should be sent to a fax number decided by the ministry.

51 - Submission of original documents

(a) Where the Registrar of Associations requests an association to submit the originals of documents submitted to him/her through email under section 47 of this regulation, the originals should be submitted within a time period that the Registrar of Associations

specifies.

52 - Coming into Force

This regulation shall come into force from the date of its publication in the government's gazette. Any preceding regulations on associations will be made void, from the date that this regulation comes into force.