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# Palestinian Legislative Council

## Law of Charitable Associations and Community Organizations

Law No. 1, Year 2000

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### Chapter One

#### Article (1)

Palestinian citizens have the right to practice social, cultural, professional and scientific activity in all freedom, including the right to establish and run Associations and Community Organizations.

#### Article (2)

##### Definitions

The following terms and expressions that are used in this Law have the following meanings, unless otherwise indicated.

**The Ministry:** The Ministry of Interior.

**The Competent Ministry:** The Ministry under the competence of which the activities of the Association would fall.

**The Minister:** The Minister of Interior.

**The Competent Department:** The Department set up as part of the Ministry under the competence of which the activities of the Association would fall.

**The Association or Organization:** Any charitable Association or Community Organization with an independent judicial personality, established upon an agreement concluded among no less than seven persons to achieve legitimate objectives of public concern, without aiming at attaining financial profits to be shared among the members or achieving any personal benefits.

**The Foreign Association or Organization:** Any foreign charitable Association or Community Organization which has its main headquarters or center of activities outside the Palestinian territories, or the majority of whose members are foreigners.

**The General Assembly:** The general body made up of all the members of the Association; it is the highest authority in the Association or Organization.

**The Board of Directors:** The Board of Directors of the Association or Organization.

**Merger:** Unification of two or more Associations or Organizations into a single Association or Organization with a new judicial personality.

**Union:** Unification of two or more Associations or Organizations whereby a single representative body is established, but each Association or Organization maintains its independent judicial personality.

**Community Activity:** Any social, economic, cultural, community, developmental or other service or activity, undertaken voluntarily, that would lead to the improvement of the social, health, professional, material, spiritual, artistic, sports, cultural or educational conditions in society.

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## **Chapter Two**

### **Registration of Associations and Organizations**

#### **Article (3)**

The Ministry will set up a Competent Department for the registration of the Associations and Organizations in coordination with the Competent Ministry, and for purposes of implementation of this Law the Competent Department will keep the following registries:

- 1) A registry recording all registration requests, using consecutive numbers in accordance with the dates of request.
- 2) A general registry of all Associations and Organizations that have been registered, in which the names, fields of activity, objectives and any other facts that the Competent Department considers necessary for the information of all competent bodies, are recorded.
- 3) A registry in which the names of the Associations and Organizations whose requests for registration were refused are included, indicating their objectives and the reasons for the refusal, and any other additional information that the Competent Department considers necessary for the record.

#### **Article (4)**

##### **Registration Procedures**

- 1- The founders of an Association or Organization submit a written application to the Competent Department for registration in compliance with all relevant conditions, signed by no less than three of the founding members authorized to register and sign on behalf of the Association or Organization. The application needs to be accompanied by three copies of the By-Laws signed by the members of the Founding Committee.
- 2- The Minister of the Interior has to issue his decision regarding the compliance of the application with the conditions of registration within a period not exceeding two months from the date of submission of the application. In case of submission of additional data or missing documents needed for the registration, the two-month period starts from the date of submission of the missing documents.
- 3- If the two-month period following the submission of the application for registration expires without a decision being taken, the Association or Organization is considered registered by law.
- 4- In the event a decision is issued by the Minister rejecting the application for registration, the decision should specify the reasons for the rejection. The applicants have the right to contest the decision before the competent courts within a period not exceeding thirty days from the date they are notified of the rejection of their application for registration.

#### **Article (5)**

Taking into consideration the Provisions of the Law, the By-Laws should include the following information:

- 1- The name of the Association or Organization, its address, its purpose and its main headquarters.
- 2- The financial resources of the Association or Organization, the manner in which they are to be used or dispensed with.
- 3- The conditions for membership, kinds of membership, reasons for termination of membership and membership fees.
- 4- The organizational structure of the Association or Organization, rules governing the amendment of its By-Laws, its merger or unification [with other Associations or Organizations].
- 5- Procedures for convening the General Assembly.
- 6- Methods of financial supervision.
- 7- Rules governing the dissolution of the Association or Organization, and methods of dispensing with its finances and holdings upon dissolution.

#### **Article (6)**

The Ministry will be responsible for monitoring the work of the Associations and the Organizations in accordance with the Provisions of this Law. The Ministry may scrutinise the activity of any Association or Organization upon a substantiated written order issued in each instance by the Minister to ascertain that its funds have been spent for the purposes for which they were allocated in accordance with the Provisions of this Law and the By-Laws of the Association or Organization. The Association or Organization should enable the Ministry to implement this order to ascertain that it is conducting its affairs in accordance with the Provisions of this Law and the By-Laws of the Association or Organization.

#### **Article (7)**

The Associations and Organizations are independent judicial persons, enjoying an independent financial status, upon registration in accordance with the Provisions of this Law. They may not practice any of their activities before completing registration procedures.

#### **Article (8)**

The decision to register an Association or Organization is published in the Official Gazette.

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### **Chapter Three**

#### **Rights and Duties of Associations and Organizations**

#### **Article (9)**

In accordance with the Provisions of the Law:

- 1- an Association or Organization may hold transferable or non-transferable funds for the attainment of its objectives;
- 2- a foreign Association or Organization may hold non-transferable funds, on condition it obtains permission to that effect from the Ministerial Council upon the recommendation of the competent Minister;

3- no foreign Association or Organization may dispense with non-transferable funds without the agreement of the Ministerial Council.

**Article (10)**

The relations of the Associations and Organizations with the Competent Ministries are established on the basis of coordination, cooperation and complementariness for the public good.

**Article (11)**

**Records of the Association or Organization**

The Association or Organization keeps at its main headquarters its official financial and administrative records that include the following financial transactions, administrative decisions and data:

- 1- Incoming and outgoing correspondence, in special files and organized records.
- 2- By-Laws [of the Association or Organization], names of the members of the Board of Directors in each electoral term and the date of their election.
- 3- Names of all members of the Association, Organization or Institution, along with identification, age and date indicating when membership commenced.
- 4- Minutes of the Board of Directors meetings, in chronological order.
- 5- Minutes of the meetings of the General Assembly.
- 6- Record of revenues and expenditure, detailed according to financial rules.

**Article (12)**

Every Association or Organization will deposit with the Competent Department a statement regarding any amendment or change regarding the location of its headquarters, By-Laws, objectives, or purposes, or any complete or partial change in its Board of Directors, within a period not exceeding one month from the date the amendment or change took place.

**Article (13)**

The Association or Organization will present to the Competent Ministry, at a date no later than four months after the end of the financial year, two reports approved by the General Assembly:

- 1- an administrative report containing a full description of the activities of the Association or Organization during the last year;
- 2- a financial report signed by a legal auditor, and containing a detailed revenue and expenditure account of the Association or Organization finances in accordance with the accepted principles of accounting.

**Article (14)**

Associations and Organizations are exempted from taxes and customs duties on the transferable and non-transferable funds necessary for the implementation of its objectives, provided they are not disposed of within a period of less than five years for purposes incompatible with the purposes [of the Association or Organization] unless the due taxes and customs duties are paid.

#### **Article (15)**

- 1- Associations and Organizations are entitled to organize activities and establish income-generating projects provided the revenues are used to cover its activities for the public good;
- 2- Associations and Organizations are entitled to set up branches inside Palestine.

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### **Chapter Four**

#### **The Board of Directors**

#### **Article (16)**

- 1- Every Association or Organization should have a Board of Directors made up of at least seven and no more than thirteen members; the By-Laws of the Association or Organization determine the procedures for setting up this Board, for choosing its members and for terminating their membership.
- 2- The Board of Directors may not include more than two members bound by family relations of the first or second degree.

#### **Article (17)**

- 1- The Board of Directors of any Association or Community Organization is responsible for all its operations and activities.
- 2- The Chairman of the Association or Organization represents the Association or Community Organization before other parties, and signs all correspondence, contracts and agreements concluded between it and other parties on its behalf.

#### **Article (18)**

##### **Rights of the Board of Directors**

The Board of Directors is entitled to:

- 1- Administer the affairs of the Association or Organization, and establish the necessary rules, regulations and instructions.
- 2- Appoint the staff necessary for the Association or Organization, to define their job or to terminate their services in accordance with the Provisions of the Law.
- 3- Set up committees it deems necessary for the improvement of operations, and to define the competence of each committee.
- 4- Draw up the final statement of accounts for the past financial year and the draft budget for the following year.
- 5- Present the annual administrative and financial reports, and any future plans and projects before the General Assembly.
- 6- Call the General Assembly to an ordinary or extraordinary meeting session, and implement its resolutions in accordance with the Provisions of the Law.
- 7- Follow up any observations presented by the Competent Department, Ministry or other official bodies regarding the activities of the Association or Organization, and respond to them.

#### **Article (19)**

The rights of the Chairman, the Vice-Chairman, the Secretary, the Treasurer and the rest of the Board of Directors of any Association or Organization are defined in accordance with its By-Laws and regulations in a manner not contravening the Provisions of this Law.

**Article (20)**

It is not permissible to combine membership of the Board of Directors with paid work for the Association or Organization in question.

**Article (21)**

- 1- The Board of Directors holds an ordinary meeting at least once every three months upon the invitation of the Chairman or the Vice-Chairman.
- 2- The Board of Directors holds an extraordinary meeting when necessary upon the invitation of the Chairman or the Vice-Chairman, or at the request of one third of its members.
- 3- The meeting of the Board of Directors has a quorum when two-thirds of its members are in attendance.
- 4- Decisions of the Board of Directors have to be taken by an absolute majority to be valid.

**Article (22)**

- 1- When it is not possible to convene a meeting of the Board of Directors as a result of resignation or death, the remaining members of the Board of Directors (in their capacity as a transitional committee) take over the tasks of the Board of Directors for a period of time not exceeding one month, and they call the General Assembly within the above period of time to elect a new Board of Directors.
- 2- In the event of collective resignation, or in the event of the transitional committee failing to carry out its tasks as set out in the first paragraph of this Article, the Minister will appoint a transitional committee from among the members of the General Assembly to carry out the tasks of the Board of Directors for a period of time not exceeding one month, and to convene the General Assembly within the same period of time to elect a new Board of Directors.

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**Chapter Five**

**The General Assembly**

**Article (23)**

**Formation and Rights**

- 1- The By-Laws of the Association or Organization define the manner, in accordance with the Provisions of this Law, according to which the General Assembly of the Association or Organization is to be established. It is to be made up of all the members who have fulfilled their commitments as outlined in the By-Laws. The General Assembly convenes at least once every year to review and approve the report submitted by the Board of Directors on the activities of the Association or Organization, as well as the report of the financial auditor on its financial position, and

to appoint the financial auditor, and any other matters the Board of Directors may include as part of its agenda.

- 2- The General Assembly is entitled to draw up general policies and guidelines for the Association or Organization and to elect the members of the Board of Directors; its decisions are reached by a simple majority of the members present, unless otherwise stipulated in the By-Laws of the Association.
- 3- Decisions are taken by the absolute majority of the members of the General Assembly as regards amending the By-Laws, and by a majority of two-thirds of the members of the General Assembly as regards the dissolution of the Association or Organization, or the introduction of an amendment to its By-Laws related to the purpose of the Association, the dismissal of members of the Board of Directors, or its unification or merger, unless the By-Laws stipulate a greater majority in those cases.

#### **Article (24)**

##### **The Extraordinary Meeting**

One-third of the members of the General Assembly of any Association or Organization may call for an extraordinary meeting.

#### **Article (25)**

The General Assembly of the Association or Organization has a quorum if an absolute majority of the members attend. If the absolute majority is not in attendance, the General Assembly will be postponed and reconvened within a period not exceeding fifteen days of the date of the first meeting. The reconvened General Assembly will have a quorum, provided the number of members present is no less than one third of all the members of the Association or Organization.

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## **Chapter Six**

### **Merger and Unification**

#### **Article (26)**

- 1- Two or more Associations or Organizations may merge or unite, without prejudice to the rights of other parties towards each of these Associations or Organizations obtained before the merger.
- 2- The representatives of the Associations or Organizations joining a merger should turn over all their funds and special records to the new Association resulting from the merger.
- 3- The new Association or Organization is not liable for the commitments of the Associations or Organizations it merged with, except within the limits of the funds handed over to it by those Associations or Organizations, and rights accruing to it as per the date of the merger.

#### **Article (27)**



Three or more Associations or Community Organizations may form a single Union, and these Unions in turn may form a General Union provided joining the General Union is a voluntary undertaking.

**Article (28)**

Any Association or Organization may join or be affiliated with any Arab or regional or international Organization or Union outside the Palestinian territories, as long as it keeps the competent party informed.

**Article (29)**

All procedures and provisions stipulated in this Law with regard to registration, basic regulations and related statements, will also apply to each union concluded among a group of Associations or Organizations or any unified Associations or Organizations established according to its Provisions.

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## **Chapter Seven**

### **Financial Affairs of the Associations or Organizations**

**Article (30)**

Every Association or Organization should have an annual budget supervised by a legal accountant, unless its expenditure is less than 1000 Jordanian Dinar or its equivalent in another currency legally in circulation. The auditor submits a report on the financial position of the Association or Organization for the past financial year to the General Assembly for its approval at its annual meeting.

**Article (31)**

The Association or Organization should deposit its cash funds under its own name with an accredited bank, and inform the Competent Ministry of the details of the above. The Association or Organization may not keep cash funds exceeding its expenditure for one month.

**Article (32)**

In a manner not contravening the Provisions of this Law, Associations or Organizations may receive unconditional assistance to carry out their work.

**Article (33)**

Associations or Organizations may collect contributions from the public for the social purposes for which they were established by, among other things, organizing parties, charity bazaars, and sports competitions, after informing the Competent Ministry.

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## **Chapter Eight**

### **Charitable Associations and Foreign Organizations**

#### **Article (34)**

In accordance with the Provisions of the Law:

- 1- Any foreign Association or Organization may submit an application to the Minister to open one or more branches of the Association or Organization in the Palestinian territories to carry out any social services provided these services are compatible with the developmental priorities of Palestinian society, and provided the request includes the name of the foreign Association or Organization, its main headquarters, address, names of founders and members of its Board of Directors, its main purposes, and the names of the persons in charge of the proposed branch and their nationalities, and the manner in which the funds of the branch will be disposed of upon the dissolution of the branch or the liquidation of its operations or its withdrawal, and this will not exceed a period of two months from the date of the submission of the application.
- 2- The Competent Ministry must take into consideration the opinion of the Ministry of Planning and International Co-operation regarding the registration request of foreign Associations and Organizations.

#### **Article (35)**

The persons responsible for any of the branches of the foreign Association or Organization should inform the Ministry of any changes involving the information specific to the branch they are managing within a period not exceeding one month of the date of the change.

#### **Article (36)**

Every branch of the foreign Association or Organization presents to the Ministry a periodic report covering all its activities, including the funds spent to achieve its objectives.

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## **Chapter Nine**

### **Dissolution of the Association or Organization**

#### **Article (37)**

The Association or Organization is dissolved in the following cases:

- 1- If the decision to dissolve the Association has been taken by the General Assembly, which immediately needs to be brought to the attention of the Ministry.
- 2- If it [the Association or Organization] does not commence its actual operations within the first year of its date of registration or of obtaining its license, unless the inactivity is the result of circumstances beyond the control of the Association or Organization.
- 3- If proven that it [the Association or Organization] has committed a substantive violation of its By-Laws, and not rectified the above conditions within three months of the date of notification to that effect by the Minister or the Department.

**Article (38)**

- 1- In the event a decision is issued by the Minister to repeal the registration of any Association or Organization, it [the decision] should state the causes in writing. The Association or Organization has the right to contest the decision before the competent court.
- 2- If a decision to dissolve an Association or Organization is contested before the competent court, the Association or Organization may continue its work until a temporary or final judicial decision is issued to halt its activities or to dissolve it.

**Article (39)**

- 1- In the event an Association or Organization is dissolved, a paid liquidator is appointed who prepares an inventory of its funds and assets so that they may be dispensed with in accordance with the procedures specified by its By-Laws and the Provisions of this Law. In the event, the By-Laws make no reference to the manner in which the funds [of the Association or Organization] are to be dispensed, the Ministry will transfer the funds of the dissolved Association or Organization to Associations and Organizations of a similar purpose, taking into account the pensions, allowances and entitlements of the employees of the dissolved Association, which would be exempt from the transfer.
  - 2- In the event an Association or Organization is dissolved, all its monetary and in-kind funds and assets will be transferred to a Palestinian Association similar in its objectives, to be named by the dissolved Association or Organization.
  - 3- Under all circumstances, the funds and assets of the dissolved Association or Organization should be spent in accordance with its purposes within the borders of the Palestinian territories.
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**Chapter Ten****General and Transitional Concluding Provisions****Article (40)**

While adhering to the Provisions of this Law, it is the duty of Associations and Community Organizations that provide specialized professional services to implement the professional registration instructions specified by the Competent Ministries.

**Article (41)**

It is not permissible to take possession of the finances of any Association or Organization, or to close or conduct a search of its headquarters or any of its premises or branches without an order issued by a competent judicial body.

**Article (42)**

Every Association or Organization that was licensed before this Law came into effect is considered to be officially registered, provided it adjusts to the Provisions of this Law within a period of nine months of the law's coming into effect. Otherwise it will be considered in contravention of the Provisions of the Law.

**Article (43)**

The Ottoman Law of Charitable Organizations issued on 29 Rajab 1327 A.H. and the Law of Charitable Organizations number 33 for the year 1966 effective in Palestine, and any provisions contravening the Provisions of this Law, are hereby repealed.

**Article (44)**

The Minister will issue the forms necessary for the implementation of the Provisions of this Law.

**Article (45)**

All parties, each in its field of competence, should implement the Provisions of this Law, and comply with them immediately after their publication in the Official Gazette.

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