

The Regulatory Frameworks for Digital Fundraising in the MENA Region

Cases of: Palestine, Lebanon, and Morocco



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EXECUTIVE SUMMARY

Civil Society Organizations (CSOs)' right to solicit, receive, and use resources forms an integral part of freedom of association. With the digital revolution, digital fundraising represents a great opportunity for CSOs to finance their missions. However, we have seen a rise in laws, regulations, and implementation practices which deny/limit CSOs' ability to solicit and access funding using digital methods, which, in turn, has a significant impact on freedom of association.

In this report, we aim to consider the availability of digital mechanisms in three countries, namely Lebanon, Morocco, and Palestine. The report also examines the impact of the political and economic environment on CSOs' use of new digital fundraising technologies; the statutory regulation of digital fundraising;¹ and State practices that impact the responsible use of digital methods in funding CSOs' important work. We will also look at whether these different laws, regulations, and State practices permit or prohibit different digital fundraising methods, including, among others, crowdfunding; virtual currency donations; SMS donations; and cash, e-wallet, and card transfer through banks' mobile applications and ATMs.

The report examines the impact of the political and economic environment on CSOs' use of new digital fundraising technologies; the statutory regulation of digital fundraising; and State practices that impact the responsible use of digital methods in funding CSOs' important work.

Most limitations on the use of digital fundraising methods by CSOs stem from the rules and procedures of, for example, banks and other financial service providers, social media platforms, crowdfunding platforms, and others, as opposed to legislation.

Generally, it appears that most limitations on the use of digital fundraising methods by CSOs in three countries stem from the rules and procedures of, for example, banks and other financial service providers, social media platforms, crowdfunding platforms, and others, as opposed to legislation. Also,

there are practical challenges, such as financial and/or digital literacy, elec-

¹ Laws impacting digital fundraising include laws regulating civil society and fundraising and a variety of other laws including tax laws, anti-terrorism laws, anti-money laundering laws, anti-corruption laws, advertising laws, privacy and data protection laws, banking laws, laws regulating payment systems and money transfers, and telecommunications laws.

tricity infrastructure, and internet reliability and stability, which hinder the spread of the use of digital fundraising mechanisms. Moreover, CSOs in all three countries lack the awareness and experience necessary to take advantage of available digital fundraising opportunities.

Below is a brief summary of the key findings pertaining to each of the three researched countries:

LEBANON

- There are no laws that provide a regulatory framework for fundraising or digital fundraising in Lebanon.
- Despite not being expressly regulated, CSOs use many digital fundraising methods.
- There are practical challenges that hinder maximizing the use of digital fundraising to support CSOs missions. For instance, Lebanon lacks some basic and infrastructural prerequisites necessary to access digital technologies; including stable electricity that is accessible at affordable prices, as well as stable and reliable internet connection.
- Banking is not widespread in Lebanon, and online and mobile banking services, despite being available, have never been widely used. The financial crisis and the imposition of bank restrictions since October 2019 have adversely affected individuals' trust in the banking system and have caused reluctance to, if not avoidance of, using banking services, online or offline.
- Law on Associations 1909 is the primary law which regulates freedom of association in Lebanon. It does not impose legal barriers to resources, whether from domestic or foreign sources; nor does it restrict CSOs' fundraising methods.
- There are other laws and regulations that could impact CSOs' ability to fundraise, generally or using digital fundraising methods; impose additional obligations, or pose heavier administrative burden on CSOs. These include Basic Decision No. 7548 of 30 March 2000; Law No. 44

- There are no laws that provide a regulatory framework for fundraising or digital fundraising in Lebanon.
- Despite not being expressly regulated, CSOs use many digital fundraising methods.

of November 24, 2015 on Fighting Money Laundering and Terrorist Financing and Law No. 318 dated 20 April 2001 on Fighting Money Laundering; and Law No. 81 of 2018 Relating to Electronic Transactions and Personal Data.

- Several digital fundraising methods are not regulated but are used in practice. These include collection of donations through websites; anonymous donations; use of intermediary service providers to process foreign donations; online payment systems; cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs; and mobile (SMS) donations. However, current bank restrictions are likely to make use of some digital fundraising methods challenging, e.g., cross-border digital fundraising. Also, there are warnings against the use of some methods, such as cryptocurrency donations, despite this method not being regulated. The position with respect to collecting donations through social media platforms and fundraising through AI and ML techniques is not clear – these methods are neither used nor prohibited/warned against.

MOROCCO

- Digital fundraising is still a relatively nascent practice among CSOs in Morocco. However, there has been a rising interest in digital fundraising mechanisms for several years.
- Dahir 1-58-376 of 15 November 1958, as amended by Decree 1-733-283 of 1973 and Decree 1-02-206 of 2002 Promulgating Law the law 75-00 on the Rights of Associations is the primary law that regulates freedom of association in Morocco. The Dahir does not impose major legal barriers to the collection of resources, whether from domestic or foreign sources.
- Upon legal registration of an association, it will be allowed to open a bank account and conduct financial transactions. There are no legal restrictions regarding banking services. In practice, however, only large CSOs will have access to the full set of services offered by banks, notably access to credit.

Digital fundraising is still a relatively nascent practice among CSOs in Morocco. However, there has been a rising interest in digital fundraising mechanisms for several years.

- There are other laws and regulations that impact fundraising generally and digital fundraising specifically. These include Law 004.71 of October 1971 Concerning Public Calls for Donations, which regulates calls for donations from the public; Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes, which will replace Law 004.71 of October 1971 upon the issuance of the necessary implementation regulations, and governs public calls for donations which use offline means to make the call and collect donations; Law 15.18 on Collaborative Financing (Crowdfunding), which governs investments, loans, and donations performed on electronic crowdfunding platforms facilitated by a licensed crowdfunding company; Law 47.06 Concerning Local Authorities Taxation; which allows CSOs the benefit from a permanent tax exemption; Anti-terrorism regulations, including the Moroccan Penal Code; and Law 09.08 on the Protection of Individuals Regarding the Processing of Personal Data.
- There are several digital fundraising methods that are permitted in Morocco, e.g., collection of donations through CSOs' websites; cross-border digital fundraising; use of intermediary service providers to process foreign donations; online debit or credit card payments; online payment systems; online bank and wire transfers; cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs; mobile (SMS) donations; donations through social media platforms; and crowdfunding on local or international platforms (though not yet operational). Anonymous donations are permitted; however, anonymity cannot be kept from the relevant authorities to whom reports are to be submitted. Moreover, methods, such as donations in cryptocurrencies, are expressly prohibited. Furthermore, it is unclear whether fundraising through artificial intelligence and machine learning techniques are prohibited or permitted.

PALESTINE

- There are no laws that provide a regulatory framework for digital fundraising in Palestine.
- Most CSOs in Palestine are not aware of the digital fundraising options and tools. Palestine has an extremely low financial inclusion indicators and humble financial literacy.
- Law No. 1 of 2000 On Charitable Associations and Community Organizations is the Palestinian law that regulates the formation and operation of associations. The Law does not place limitations on the rights of an association and associations are generally free to raise funds from foreign and domestic sources without seeking prior approval.
- Law by Decree No. 42 of 2021 Concerning Companies and Non-Profit Companies Regulation No. 20 of 2022 regulate another form of non-profit entities in Palestine – namely the non-profit companies (NPCs). NPCs are required to obtain the approval of the Council of Ministers and/or the Minister of National Economy before accepting any funds.
- However, in recent years, the government has been exerting control over CSOs through amendments, regulations, ministerial decisions, or informal practices towards CSOs. For example, in practice, small and/or new CSOs are usually not allowed to open bank accounts at the two biggest banks in Palestine, and although not required by law, associations in practice are required to obtain approval before depositing funds in their bank accounts. Also, no financial processors, domestic or international, operate in Palestine.
- There are other laws and regulations that impact fundraising generally and digital fundraising specifically. These include Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022, which allows CSOs to collect donations for charitable purposes of public benefit using different media including local telecommunications companies, billboards, local media, flyers or brochures, and social media.
- In Palestine, there are several digital fundraising methods that are permitted and used to varying extents; including collection of donations

There are no laws that provide a regulatory framework for digital fundraising in Palestine.

through CSOs' websites; cross-border digital fundraising; online payment systems; online bank and wire transfers; cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs; mobile (SMS) donations. However, donations in cryptocurrencies are expressly banned; fundraising through artificial intelligence and machine learning techniques are not expressly banned or permitted and have not been used in practice; donations through social media platforms are not permitted as social media platforms do not allow this feature; crowdfunding on international platforms is allowed subject to satisfying the platforms' criteria; and use of online debit or credit card payments is allowed subject to banks' procedures and rules. Use of intermediary service providers to process foreign donations is allowed through international fiscal sponsors.

BACKGROUND

CSOs' right to solicit, receive, and use resources without excessive barriers forms an integral part of freedom of association. States, thus, should not inhibit CSOs' fundraising activities with unduly burdensome requirements, and should refrain from adopting any rules and practices that unduly interfere with this right and should instead allow CSOs to fundraise for any legitimate non-profit purposes using the broadest range of fundraising mechanisms, including digital methods. Any restrictions should be limited to what is strictly necessary and proportionate to their purpose and should serve one or more of the permissible legitimate interests.²

States should allow CSOs to fundraise for any legitimate non-profit purposes using the broadest range of fundraising mechanisms, including digital methods.

With the digital revolution, the emergence of Artificial Intelligence (AI), the spread of electronic payment, and the limits on CSO funding, digital fundraising represents a great opportunity for CSOs to access unconventional funding sources, reach a wider range of donors and supporters, and achieve improved financial sustainability.

However, we have seen a rise in introducing restrictive regulations of such mechanisms. Laws and regulations have been used to deny/limit CSOs' ability to solicit and access funding using digital methods, which, in turn, has a significant impact on freedom of association.

² These are laid out in Article 22 of the International Covenant on Civil and Political Rights as: national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others.



LEBANON

The political and economic situation in Lebanon has been unstable for several years now. The Lebanese liquidity crisis became apparent in 2019 and has resulted in an unprecedented economic crisis that pushed people into poverty and triggered large anti-government protests. This was further exacerbated by the spread of the coronavirus, the 2020 Beirut port explosion, the Russian invasion of Ukraine, the United States sanctions targeting Syria's government and Iran-backed Hezbollah, and the ongoing Israel-Gaza war.

The ongoing financial crisis in Lebanon has resulted in a public debt of \$101.18 billion;³ depreciation of the Lebanese Pound's value by more than 90% in less than 3 years;⁴ high food inflation with 198% annual change in food CPI; shortages in bread and other essential products and inability to access imported products;⁵ inefficiency in public institutions as public sector employees received worthless salaries;⁶ electricity crisis as the State can only provide minutes of electricity a day in most regions; and skyrocketing prices of fuel and gas, e.g. the price of gas rose by 2400% in Lebanese Pounds.⁷ Also, banks have blocked people's access to their bank accounts, except at an extremely depreciated exchange rate relative to the real value of the Lebanese Pound.⁸

In light of this political and economic situation, the role of CSOs in Lebanon gained importance as CSOs rose to help cover for the "absence" of a responsible State role in many fields, including education; protection of civil, political, and economic rights; legal support; and food security.

3 L'Orient Le Jour, [Lebanon's public debt hits new high: \\$101.1 billion](#), 18/01/2024.

4 Reuters, Lebanon plan sees 93% currency slide, turns bulk of FX deposits to pounds, 31/01/2022.

5 Reuters, Lebanon plan sees 93% currency slide, turns bulk of FX deposits to pounds, 31/01/2022.

6 Zawya, Public sector paralysed as Lebanon lurches towards 'failed state', 19/08/2022.

7 Al Jazeera, In Lebanon, petrol is now priced out of reach, 29/10/2021.

8 Al Jazeera, People are 'robbing' banks in Lebanon - to take their own money, 15/09/2022.

IMPACT OF THE POLITICAL AND ECONOMIC ENVIRONMENT ON THE USE OF NEW DIGITAL TECHNOLOGIES IN CSOS' FUNDRAISING ACTIVITIES

Infrastructure Necessary for Digital Fundraising

There are some basic and infrastructural prerequisites that must be available to access digital technologies. These include stable electricity that is accessible at affordable prices, as well as stable internet connection. Unfortunately, the economic crisis in Lebanon has made these elements largely unavailable.

The economic crisis in Lebanon has made basic and infrastructural prerequisites necessary to access digital technologies unavailable.

The state-run Electricité du Liban (EDL), which accounts for about 90% of the country's electricity production, has been suffering from major cash shortages and has only been able to provide power to households for a few hours a day. To access electricity for the remaining hours of the day, Lebanese households have been relying on private generator subscriptions, if they can afford them. Providers of such subscriptions are not regulated and have been setting high prices that fluctuate in proportion to fuel prices. This meant that the recent worldwide rise in fuel prices, coupled with the devaluation of the Lebanese Pound, made electricity an unaffordable commodity to a large part of the Lebanese population and businesses.

Moreover, Lebanon is known for a relatively slow internet connection. In June 2021, the average broadband download speed was 17.27 megabits per second (Mbps), and the average mobile download speed was 45.74 Mbps.⁹ Internet connection experiences regular cuts for various reasons, namely the massive damage in the telecommunications infrastructure as a result of the Beirut port explosion in 2020;¹⁰ as well as fuel shortages that internet providers and the Lebanese people suffer from.¹¹

9 Ookla, "Lebanon's mobile and fixed broadband internet speeds", 07/2021.

10 Freedom House, Freedom of the net: Lebanon, 2021, [Link](#).

11 See for instance, The961, Over 14,000 People No Longer Have Access To Internet In Lebanon, 19/08/2021.

These obstacles make it generally difficult for CSOs in Lebanon to use digital technologies in fundraising activities.

Online and Mobile Banking

Nowadays, banking is not widespread in Lebanon. In the 2021 Global Findex Database, the World Bank stated that only 21% of adults in Lebanon reported having a bank account.¹² This is an almost 50% drop in comparison to 2017 figures. This drop is primarily caused by the financial crisis and the imposition of bank restrictions and informal capital control measures by the banks in Lebanon since October 2019.¹³ Such restrictions include the following:

- Disallowing cash withdrawals in foreign currencies.
- Allowing cash withdrawals in Lebanese Pound, albeit subject to arbitrary limits and negligible amounts.
- Completely blocking money transfers internationally and locally.
- Prohibiting the use of debit cards.
- Distinguishing bank accounts opened and containing money before April 9, 2020 from “fresh” accounts opened after this date. Particularly, any accounts opened prior to this date suffer from major restrictions. No transfers will be allowed out of these accounts and there are set limits when using cards associated with these accounts.¹⁴ However, fresh accounts, especially fresh foreign currency accounts, will not experience any such restrictions.¹⁵

12 World Bank, Global Findex Database 2021. This rate constitutes less than half the rate measured by the same report in 2017, when almost half of the Lebanese adult population (47%) reported owning a bank account, see: L'Orient Le Jour, Le taux de bancarisation au Liban divisé par deux depuis 2017, 29/06/2022, [Link](#).

13 Al Arabiya news, Lebanon's informal capital controls explained: Why can't Lebanese access their money?, 15/11/2020.

14 There is a limit that depends on the account, the amount of money in it, and if the depositor chose to accept a haircut in order to be able to withdraw some of his money at a low exchange rate in accordance to Banque du Liban (BDL) Circulars 151 and 158.

15 This distinction resulted in the creation of what is known as the “Lollar”. The term is used for money in US Dollars deposited in banks before April 9, 2020 (Banque du Liban (BDL), Circular No. 150). Money deposited after this date is called “Fresh US Dollars” and can be accessed without restrictions provided one opens a new bank account for it. Since Banque du Liban (BDL) Circular No. 151, it became possible to withdraw Lollar money in LBP at 1 Lollar = LBP 3,900, an exchange rate that is much lower than the black-market exchange rate, and than the real value of the Lebanese Pound, which keeps fluctuating. Since Banque du Liban (BDL) Circular No. 158, it became possible to withdraw Lollar money at: 400 Fresh USD per month, and 400 Lollar that can be withdrawn at a 1 Lollar = LBP 12,000 rate, still much lower than the price of the U.S. Dollar in the black market, which has reached new heights in September 2022 (LBP 38,000).

All of this has led to loss of trust in banks and the general preference to use alternative entities, including money transfer firms, to access financial services.¹⁶

There is a general loss of trust in banks. People in Lebanon generally prefer to use alternative entities, including money transfer forms, to access financial services.

Online and mobile banking services have always been available in Lebanon; however, they were never widely used.¹⁷ In a study conducted in 2019, but few months prior the recent bank restrictions, it was found that 70% of a sample of more than 300 persons have more than 2-year experience with mobile banking, only 36% use it more than once a week, and 25% of the 300 persons never used mobile banking. These numbers are likely to have dropped now given the ongoing financial crisis. Furthermore, the banking restrictions render online and mobile banking services largely useless. For example, transfers from an account to another are not allowed; card use and on-line transactions are restricted, save for bill payments in Lebanese Pound; and international payments are totally blocked.

Online and mobile banking services have always been available in Lebanon; however, they were never widely used.

As such, assuming the basic infrastructure is supportive of using digital technologies in Lebanon, the above-mentioned restrictions will most certainly stand in the way of using any digital mechanisms whose access rely on online or mobile banking.

Entities That Affect Digital Fundraising

Several types of institutions can affect digital fundraising practices in Lebanon. These include the following:

¹⁶ Arab News, Money transfer firms replace banks in crisis-hit Lebanon, 04/09/2022, [Link](#).

¹⁷ World Bank, Global Findex Database 2021. See also, L'Orient Le Jour, Un Libanais sur deux a un compte bancaire, 22/04/2015, [Link](#).

Institution	Roles
Banque du Liban (BDL)	<p>Banque du Liban is Lebanon's central bank. Its mission is to set the monetary policy, regulate money supply, control interest rates, issue Lebanese Pound, and oversee and develop the banking and financial sector.¹⁸</p> <p>BDL sets restrictions on bank accounts, such as withdrawals limits, depreciated withdrawal exchange rates,¹⁹ Sayrafa platform,²⁰ and Sayrafa currency exchange rates.²¹</p>
Banks	Banks in Lebanon are required to apply BDL's policies and instructions. Given the serious financial crisis, Banks have been withholding the funds as a matter of policy, including those of CSOs.
Money Transfer Services	Money transfer services, such as OMT, Western Union, and Cashunited, are widespread in Lebanon. Because of the bank restrictions mentioned earlier, most CSOs in Lebanon have been accepting donations through these firms. However, the fees imposed by these firms are perceived to be high. These firms "charge between 9% and 12% depending on the corridor, plus an additional 2% on the beneficiary, compared to a global average of 6.3% to send \$200." ²²
Infrastructure and Technical Service Providers	Infrastructure and technical service providers include EDL; Lebanon's only telecommunications and ISPs infrastructure provider, Ogero; and Lebanon's two mobile operators, Alfa and Touch. Their services offer the prerequisites necessary for use of any digital technologies.

18 [Link](#).

19 See for instance, Banque du Liban (BDL) Circulars 151 and 158.

20 Lebanese Central Bank's official exchange platform, established by BDL circular 157.

21 L'Orient Today, BDL's Sayrafa platform records its billionth dollar since launch, 28/01/2022, [Link](#).

22 Global Finance Magazine, Lebanese Embrace Digital Finance As Survival Strategy, 05/04/2022, [Link](#).

Institution	Roles
Law- and Policy-making Entities	<p>Law- and policy-making entities, such as the legislative and the executive authorities, have been mainly inactive, however, the laws and regulations adopted by these entities have/could potentially have an effect on access and use to digital technologies.</p> <p>For example, laws and regulations that regulate freedom of association in Lebanon, including the Law on Associations 1909 as amended, contain provisions that may impact access to funding by CSOs in Lebanon.</p>

STATUTORY REGULATION OF DIGITAL FUNDRAISING

Framework Laws

There are no laws that provide a regulatory framework for fundraising or digital fundraising in Lebanon. However, Decision No. 3 of 2013 on Crowdfunding, which was issued by the Capital Markets Authority, tackles crowdfunding, one of the most common digital fundraising mechanisms.²³ This Decision aims to regulate the formation and

There are no laws that provide a regulatory framework for fundraising or digital fundraising in Lebanon. Decision No. 3 of 2013 on Crowdfunding, which was issued by the Capital Markets Authority, tackles crowdfunding, one of the most common digital fundraising mechanisms.

operation of companies offering equity-based crowdfunding services in Lebanon.²⁴ The Decision applies to Lebanese companies, as well as foreign companies wishing to offer such services in Lebanon. Despite the regulation of crowdfunding through this Decision, crowdfunding practices remain limited in Lebanon, likely due to the limitations mentioned earlier. Some CSOs attempted to launch crowdfunding campaigns; however, the response was rather limited, and so such CSOs now prefer to direct their efforts towards other 'more popular' fundraising mechanisms, such as applying for foreign funding opportunities.

²³ The Decision can be accessed in English: [Link](#).

²⁴ [Link](#).

Pursuant to the Decision, crowdfunding is defined as “[a]ny activity directed towards the general public aimed at funding small and medium enterprises (SME) or startup companies through public “investments” in various “equities or shares” in these “Companies” offered by a particular “Institution.” Clearly, crowdfunding services are offered by “institutions” which the Decision defines as “[a]n institution specialized in providing “crowdfunding” services conducted through a crowdfunding electronic platform organized and managed by the “Institution” itself.” It is the “companies” that can benefit from crowdfunding services. The Decision defines “companies” as “[s]mall and medium enterprises (SME)/companies or startup companies seeking funding through “crowdfunding” by offering some of their “equities or shares” to the public. The minimum capital raised by the “Companies” should be 30,000,000 LBP (thirty million LBP) or \$ US 20,000 (twenty thousand U.S. dollars) or an equivalent amount in Arab and foreign currencies.” According to this definition, CSOs do not seem to be captured within the scope of the Decision. Surely, CSOs are not companies. Also, they have no “equities or shares” to offer in return for funding provided through the institution’s crowdfunding platform. Thus, collection of donations by CSOs does not fall within the scope of this Decision.

CSOs do not seem to be captured within the scope of the Decision No. 3 of 2013 on Crowdfunding.

That said, it is unclear which legal/regulatory framework governs crowdfunding platforms that do benefit CSOs in Lebanon, such as Fundahope, which is the only Lebanese crowdfunding platform that allows CSOs to collect donations, or indiegogo or gogetfunding, which are international crowdfunding platforms that are active in Lebanon, even though they have no branches in Lebanon. It may be that their activities are not expressly prohibited by law and so they can offer their crowdfunding services to individuals, companies, and CSOs alike.

Other Laws and State Practices Impacting the Regulation of Digital Fundraising

In Lebanon, there are several laws that may impact digital fundraising by CSOs. These are summarized in the table below:

Title of the Law	Relevant Provisions and Relevance to CSOs
<p>Law on Associations 1909 and Decree No. 10830 of 09/10/1962</p>	<p>The Law on Associations governs associations in Lebanon. It includes provisions regarding the establishment of and membership in associations; associations governing bodies; procedures and requirements for amending associations' statutes; reporting requirements; ledgers to keep (including one that contains "the identity of the members of the association and the date that they joined", another that contains "the resolutions of the administrative body, its correspondence, and notifications", and a third that records "the type and amount of receipts and expenses of the association";²⁵ and association purposes that are illegal.</p> <p>There are no legal barriers to resources, whether from domestic or foreign sources in the Law. The Law does not impose restrictions on CSOs' fundraising methods.</p> <p>The Law was followed by Decree No. 10830 of 09/10/1962 which states that every January, associations must report, among other documents, their income statements of the preceding year and the current year's draft budget.²⁶</p> <p>Ledgers kept and documents required may include some information about associations' funds, donors, and beneficiaries.</p>

²⁵ Ottoman law of Associations, 1909, Article 7.

²⁶ Translated by UNDP, Internal Governance for NGOs in Lebanon, reference book 2004.

Title of the Law	Relevant Provisions and Relevance to CSOs
<p>Law No. 81 of 2018 Relating to Electronic Transactions and Personal Data</p>	<p>The purpose of this Law is to <i>“encourage e-commerce, to protect personal data and to prevent or suppress legal violations pertaining to system integrity, data integrity, illegal access to networks and computer systems, data tempering, forgery, misuse of systems and software, minors abuse in adult material, hacking etc...”</i>.²⁷</p> <p>Articles 41 to 52 of the Law regulate electronic payments. The Law defines an electronic payment as <i>“an operation carried out, partly or entirely, by electronic means.”</i> It states that electronic means include <i>“any and all electronic means, including digital means”</i> (Article 41).</p> <p>For this operation to be performed, the client authorizes the bank, the financial institution, or other institutions legally authorized by the BDL to perform an electronic payment operation, electronic money transfer, or credit push/debit pull payments through their account (Article 41). The institutions performing these transactions should ensure compliance with the applicable laws and the BDL regulations (Article 42). The client’s written consent to the conditions governing electronic payments and transfers should be obtained, and these conditions should <i>“be clear, explicit and compliant with the BDL regulations, include the rights and obligations relating to electronic banking services, and determine the fees, expenses, commissions and taxes, if any”</i> (Article 43). Any amendment to these should be notified in writing to the client and his prior consent must be obtained (Article 44).</p>

²⁷ The Lebanese Republic’s official gazette, Issue No. 45 of October 18th, 2018, p. 4567.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>Electronic payment or money transfer orders should be communicated and stored to allow both clients and institutions to refer to them. The party giving the order should be promptly informed, in writing, whether his order was accepted or rejected. Rejections should be reasoned. If the rejection is due to material error, a process that allows for fixing it should be adopted (Article 45). The Law also addresses applicable measures in case of non-execution of transactions, fraud, and breach. Financial institutions may perform electronic payments for their CSO clients consistent with these requirements.</p> <p>Furthermore, the Law uses broad language to prohibit personal data collection. Personal data is defined in Article 1 as <i>"[a]ny information that helps to directly or indirectly identify a natural person, by comparing the data or overlapping data collected from multiple sources"</i>. The Law states that personal data can only be <i>"collected faithfully and for legitimate, specific and explicit purposes"</i>. The Law also requires the data to be <i>"appropriate, not go beyond the stated objectives, be correct and complete and remain on a daily basis as relevant as possible"</i> (Article 87).</p> <p>Personal data collection is allowed under certain conditions subject to obtaining a license from the Ministry of Economy and Trade, except where exceptions apply (Article 97).</p> <p>Article 94(2) states that <i>"No permit or license shall be required to process personal data in the following cases: ... 2. In the case of book-keeping, by Non-Profit Organizations (NPOs), of the members and clients thereof within the scope of their normal and legal</i></p>

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p><i>exercise of their functions.</i>" This Article means that NPOs are allowed to process personal data without the need for a license. It is unclear who the "clients" of NPOs are, but it may very well include personal data of beneficiaries and potentially donors. This is so long as the data is related to the ordinary exercise of NPOs' functions.</p> <p>Article 90 of the Law states that "[r]etention of personal data shall not be legitimate except during the period specified in the declaration of processing or in the decision authorizing the same." This Article refers to the period provided in the above-mentioned license from the Ministry of Economy and Trade.</p> <p>Article 92 of the Law allows every natural person the right to <i>"object, for legitimate reasons, before the data processing officer to the collection and processing of his personal data, including the collection and processing for the purpose of commercial promotion."</i></p> <p>However, such a person is not allowed to object in the following two cases: <i>"1. [i]n the event the data processing officer is obliged to collect the data under the law; and 2. [i]n the event he has agreed upon processing of his personal data."</i> These Articles could potentially apply to CSOs' founders, members, employees, and volunteers, as they are natural persons.</p> <p>Article 99 of the Law states that personal data owners have the right to inquire from the data processing officer whether their data is under processing or not. They can also request from the data processing officer an accessible copy of the data belonging to them, even if such data is encoded, compressed, or</p>

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>encrypted, and can request additional information pertaining to the processed data, this includes <i>“the purposes, categories, source, subject and nature of the processing, identification of the persons and their categories to whom the personal data is being sent or those who can access the same, as well as the timing and purposes of such access.”</i></p> <p>Article 101 of the Law allows the owners of personal data the right to ask the data processing officer to process, correct, complete, update, and erase collected data. They can also request that such data is not collected, processed, used, saved or transferred. Any corrections are to be performed free of charge within ten (10) days from the date of submitting the correction request and provide proof of correction.</p> <p>These Articles may apply to CSOs and the data they may wish to collect in relation to the normal and legal exercise of their functions. There is no definition for personal data owners; however, the definition of personal data mentioned above indicates that personal data owners are the natural persons to whom the data to be collected and processed belong.</p> <p>It is noteworthy that the Law <i>“still awaits the enactment of certain implementing decrees/regulations that will help to secure its proper understanding and implementation”</i>.²⁸</p>

²⁸ Dentons, New Lebanese law on e-transactions and data protection, 21/01/2019, [Link](#).

Title of the Law	Relevant Provisions and Relevance to CSOs
<p>Law No. 44 of November 24, 2015 on Fighting Money Laundering and Terrorist Financing and Law No. 318 dated 20 April 2001 on Fighting Money Laundering</p>	<p>These laws create the Special Investigation Commission, chaired by the BDL's Governor. The role of the Commission is to instigate investigations against institutions it suspects are engaged in money laundering (ML) and/or finance terrorism (FT) practices. These investigations are normally triggered by "<i>suspicious transaction reports</i>" sent by banks and related to transfers of large amounts of money.</p> <p>This Commission is entrusted with the following wide investigative powers:</p> <ol style="list-style-type: none"> 1. It can collect information, when and as needed, to ensure compliance with the obligations stipulated in the Law, particularly in relation to transparency. 2. It may adopt preventive measures as it deems fit. <p>These Laws apply to CSOs. They allow the Special Investigation Commission to request information it needs from CSOs. They also allow the Commission to perform audits on CSOs if they are involved in suspicious transactions. However, this has not happened to any CSO since the adoption of the 2015 Law on Fighting Money Laundering and Terrorist Financing.</p> <p>As a result of these investigations and audits, the Commission can:</p> <ul style="list-style-type: none"> • Permanently freeze the concerned accounts and/or transactions, and/or to lift the banking secrecy in favor of the competent judicial authorities and the Higher Banking Commission on accounts or transactions suspected to be related to money laundering or terrorist financing. • Keep suspicious accounts as traceable accounts, despite banking secrecy law.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<ul style="list-style-type: none"> • Attach a encumbrance on the records pertaining to movable or immovable assets, indicating that such assets are under investigation by the Commission. The encumbrance will be kept until suspicions are lifted or until a final decision in this regard is taken. • Request the Public Prosecutor of the Court of Cassation to take preventive measures concerning the movable and immovable assets that have no records or entries, to prevent the use of such assets until a final judicial decision in this regard is taken.
Basic Decision No. 7548 of 30 March 2000	<p>Pursuant to this Decision, which was issued by the BDL, banks and all other institutions registered at the BDL that wish to perform electronic financial and banking operations are required to provide notification to the BDL 30 days prior to starting or publicizing said activity (Article 2(1)). Exchange institutions registered at the BDL wishing to conduct electronic operations are required to obtain prior authorization from the BDL (Article 2(2)).</p> <p>Electronic financial and banking operations are defined in Article 1 as <i>“all operations or activities concluded or executed or promoted through electronic or photo-electronic means (telephone, computer, internet, ATM, etc.) by banks or financial institutions or any other institution. This definition shall also include the operations executed by the issuers or promoters of all types of electronic charge, debit, or credit cards; the institutions engaged in the electronic transfer of cash; and the websites specialized in offers, purchases, sales, and all other electronic banking services.”</i></p>

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>The notification and/or authorization would allow the BDL the opportunity to consider that entity's compliance with transparency, integrity, and security standards.</p> <p>The Decision requires that entities registered at the BDL that perform electronic transfers of cash apply due diligence measures to verify the identity of their customers and the nature of their work, understand the ownership structure and/or control over the legal person, identify the beneficial owner and the source of funds, conduct ongoing monitoring of operations, and maintain information on the customers and beneficial owners. These entities are required to put in place an efficient anti-money laundering/counter terrorism financing (AML/CFT) internal control system and to conduct ML/FT risk assessments and adopt additional measures and procedures as needed. They are also required to promptly notify the Governor of the BDL <i>"whenever it suspects or believes, based on reasonable or objective grounds, that the executed or attempted operation is related to money laundering or associated predicate offences, or to terrorist financing, terrorist acts, or terrorist organizations"</i> (Article 9 bis, Second). The definition of customer includes non-profit organizations (Article 9 bis, First).</p>

DIGITAL FUNDRAISING METHODS

The below table summarizes the methods of digital fundraising that are regulated and/or used in Lebanon, and those that are not.

Digital Fundraising Method	Regulated (Y/N)	Comments
Collection of donations through their websites (e.g., placing donate or support button)	N	Despite not being regulated, this method is regularly used. For instance, it is used on the Lebanese Red Cross' website.
Anonymous donations	N	<p>Despite not being regulated, this method is, to some extent, permitted in practice. There is no reporting obligation for CSOs regarding the source of their funds except if the special commission of the central bank requires it to do so due to money laundering concerns. For instance, Fundahope allows users to anonymously donate to campaigns. However, a test demonstrated that Fundahope does require some information (e.g., e-mail address, card details, etc.), but without any thorough verification of ID.</p> <p>CSOs are not required to provide names to the authorities in their annual reports. Usually, banks, as part of their due diligence, ask for the sources of money donations, but the authorities do not.</p>
Cross-border digital fundraising	N	This method is likely to be challenging to use given the current bank restrictions. It is worth noting, however, that Fundahope, the Lebanese crowdfunding platform,

Digital Fundraising Method	Regulated (Y/N)	Comments
		takes these bank restrictions into account. For instance, Fundahope allows donations in Lollars and separates them from Fresh US Dollars. Also, Fundahope pays the collected funds to the beneficiary using money transfer services, not banks.
Use of intermediary service providers or aggregators of funds ²⁹ to process foreign donations	N	Despite not being regulated, this method is sometimes used in practice, particularly because CSOs lost trust in Lebanese banks. The financial service providers most commonly used now are money transfer services such as OMT, Western Union, or Cashunited, or cryptocurrency exchangers that started operating with the rise of the use of cryptocurrencies.
Online debit or credit card payments		<p>Law No. 133/1999: Expanding the Role of the Central Bank of Lebanon gives the responsibility to regulate card payments to the BDL. The BDL may issue circulars to give instructions to banks regarding certain issues, including card payments. However, these methods are mostly contractually governed, i.e., by the contracts that banks sign with card companies, notably Visa, in Lebanon.</p> <p>Additionally, Law No. 81 of 2018 on E-transactions and Personal Data dedicates eight articles to card payments.</p>

²⁹ For example: foreign CSOs, payroll companies, agents, other financial and non-financial business entities.

Digital Fundraising Method	Regulated (Y/N)	Comments
		It provides a basic legal framework for this payment method to ensure that all BDL requirements (outlined in Articles 53-55) regarding card payments are observed. ³⁰ It also protects citizens in case of card loss or fraud. Particularly, it ensures that citizens are not held liable for fraudulent payments made by a third party using their card if they notified the issuing entity of the loss (Articles 56-58). The Law also holds card-issuing entities liable for the bad or non-execution of the card owner's order (Article 59). ³¹
Online payment systems ³²	N	Despite not being regulated, there are some online payment systems that operate in Lebanon. These include Paygol, 2Checkout, BitPay, and Coinbase. However, Paypal is not available in Lebanon. This is not due to Lebanese regulations; rather, it is Paypal's choice, probably due to banking secrecy and fears of money laundering.
Online bank and wire transfers	Y	This method is regulated by Articles 41 to 52 of the Law No. 81 of 2018 on E-transactions and Personal Data, covered in more detail above. The Law defines this method and sets the relevant formalities.

30 These include signed application or agreement, BDL-licensed institution, providing identification information allowing the customer to use the card and ensuring its confidentiality, maintaining complete statements of card transactions, ensure there are means to report the card stolen or lost and prevent its use in that case.

31 It is noteworthy, however, that no order from any card owner has been executed since October 2019, and no bank has been held liable.

32 A well-known example of an online payment system is PayPal.

Digital Fundraising Method	Regulated (Y/N)	Comments
		<p>This method is regulated by Articles 41 to 52 of the Law No. 81 of 2018 on E-transactions and Personal Data, covered in more detail above. The Law defines this method and sets the relevant formalities. Briefly, such formalities include securing the prior written consent to the conditions governing electronic payments, transfers or cancellation thereof; providing a prior notification in case of modifications of such conditions; using a technical system to identify the entity issuing the order to perform an e-payment or transfer, and to prove the client's order; using an information system that promptly informs the party giving the order, in writing, whether the order was accepted or rejected, and the reasons of rejection. Orders must be made in writing and signed, and statements of the transactions performed to the clients' accounts, including information about the electronic payments or transfers debited and credited to their account, and the dates and value of such transactions must be provided periodically, and in writing, to the client. The Law also specifies which party is held liable in case of fraud.</p>

Digital Fundraising Method	Regulated (Y/N)	Comments
Cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs	N	Despite not being regulated, these methods are allowed in practice.
Mobile (SMS) donations or mobile service operators facilitating SMS fundraising	N	<p>Despite not being regulated, this method is widely used in Lebanon.</p> <p>Applying for and obtaining a phone number on a post-paid plan is subject only to having legal contractual capacity (i.e., being at least 18 years old and mentally competent). No conditions apply for pre-paid numbers as they are sold with no contract. There are no requirements that apply specifically to CSOs wishing to obtain a phone number.</p> <p>Pursuant to Article 1 of Decree 14913 of 17/07/1970,³³ donations from "institutions" are tax deductible if they do not exceed 1/1000 of the institution's annual turnover, subject to a maximum of Lebanese Pound 15,000 per year. The maximum amount per year is rather negligible as the Decree dates back to 1970 when the Lebanese Pound had a completely different value. Although Article 1 of the Decree allows for modifying the annual threshold, this has not happened. In practice, donations are not tax deductible.</p>

³³ The Decree can be accessed in Arabic: [Link](#).

Digital Fundraising Method	Regulated (Y/N)	Comments
Crowdfunding on local or international platforms	Y	<p>Equity-based crowdfunding is regulated by Decision No. 3 of 2013 on Crowdfunding issued by the CMA. However, it is noteworthy that the Decision does not seem to target donations and the crowdfunding platforms that benefit them. Also, the Decision regulates the type of entities that could use the equity-based crowdfunding, and those do not include CSOs.</p> <p>That said, as mentioned above, there are crowdfunding platforms, both Lebanese (Fundahope) and foreign (indiegogo or gogetfunding), that operate in Lebanon.</p> <p><i>Further information about Fundahope:</i>³⁴ Fundahope allows fundraising through two types of campaigns: short-term campaigns, “launched for a specific cause by individuals, entities or NGOs, that have a specific monetary goal to which people can contribute with one-time donations”, and permanent fundraisers which are “typically but not exclusively launched by charities, NGOs, organizations... to accept continuous support. They don’t have a defined goal and donors can choose either to subscribe for monthly donations.” Fundahope allows for donations in Lebanese Pound, “Lollars”, and “Fresh</p>

34 [Fundahope](#): #1 Lebanese Fundraising Platform | Crowdfunding in Lebanon | Donations in Lebanon | Fundraising in Lebanon.

Digital Fundraising Method	Regulated (Y/N)	Comments
		<p>Dollars.” Also, Fundahope supports the use of money transfer services, rather than banks, for withdrawals, especially when the amounts are relatively small.</p> <p>When a user registers his campaign, he sets a time limit on it. However, Fundahope allows extensions to the previously set time limit in case the goal is not reached. Upon receipt of donations, it is possible to request withdrawals at any time, even before the goal is reached, subject to a small penalty fee.</p> <p>With Fundahope, reaching the goal is not required to withdraw the funds, and the time limit for the campaign can be extended. Additionally, if the goal is reached, one can keep the campaign going and continue to receive donations.</p> <p>Fundahope deducts a 5% fee from each received donation. The payment gateway fee is \$0.5+2.5% for donations made through Lebanese cards, and \$0.5+4.5% for donations made through foreign cards.</p>
Donations in cryptocurrencies	N	Virtual currencies are not regulated in Lebanon. ³⁵ The Electronic Transactions and Personally Identifiable Data Law (No. 81) of 2018 mentioned the term “ <i>digital and</i>

35 Website of the Lebanese Army, Regulating Cryptocurrencies: The Dilemma of Reaching Consensus.

Digital Fundraising Method	Regulated (Y/N)	Comments
		<p><i>electronic money</i>” and defined it as “[e]lectronic monetary units stored in electronic form”.³⁶ However, the Law only includes one article in relation to digital and electronic money in which it gives the BDL the power to regulate any matters relating to virtual currencies.³⁷</p> <p>In 2013, the BDL issued warnings regarding the use of cryptocurrencies.³⁸ Later, in October 2017, the Governor of the BDL, Riad Salameh, announced BDL’s intention to launch its own cryptocurrency.³⁹ However, these plans have stalled.</p> <p>Given the economic crisis in Lebanon, people are using Bitcoin and cryptocurrency exchanges as a substitute to foreign currencies and banks. In the last few years, several cryptocurrency exchangers and intermediaries,⁴⁰ such as Lebacoin, have opened in Lebanon in an attempt to make transactions between fiat currencies and cryptocurrencies easier and more accessible to the average person. CSOs can decide to use this method to</p>

36 The Electronic Transactions and Personally Identifiable Data Law (No. 81) of 2018, Preamble.

37 Article 61, The Electronic Transactions and Personally Identifiable Data Law (No. 81) of 2018.

38 Lebanon is the first country in the Middle East to issue an official warning on the dangers of cryptocurrencies. In Notice No. 900, issued on 19 December 2013, the Lebanese central bank, Banque du Liban, warned banks and financial institutions of the dangers of using cryptocurrencies stating that “*the platforms and networks used for the issuance and trading in such currencies are not subject to any laws or regulations*”.

39 Freeman law, Lebanon and cryptocurrency.

40 Coinnews, Les Libanais pensent que la cryptomonnaie peut sauver l’économie du pays, 28/11/2021.

Digital Fundraising Method	Regulated (Y/N)	Comments
		<p>fundraise. To do so, they need to set up an account on a cryptocurrency exchange platform and share the identification address of their accounts with potential donors. Upon receipt of donations in cryptocurrency, CSOs would use the services of a cryptocurrency exchanger/intermediary to convert their donations into U.S. dollars. Of course, the exchanger would charge a small commission for the service ranging between 0.5% and 3%, depending on the amount charged.</p> <p>Alternatively, a CSO who has a bank account outside Lebanon can link its account on a cryptocurrency exchange platform with that bank account. The payment is easily processed and exchanged to U.S. dollars on the platform and transferred to said bank account, and finally withdrawn in Lebanon. This approach has been used by Arc En Ciel, a popular Lebanese CSO which has accounts in France and the U.S.⁴¹</p> <p>Cryptocurrencies have been used to make donations in Lebanon. For instance, after the Beirut Blast in August 2020, a group of Lebanese expatriates created a Crypto Disaster Relief Fund⁴² that accepts</p>

41 L'orient Le Jour, Comment les dons en devises sont-ils transférés au Liban, 20/08/2020.

42 SuperCryptoNews, Lebanon Financial System Crippled, Crypto Relief Fund Set Up for Crisis in Beirut, 12/08/2020.

Digital Fundraising Method	Regulated (Y/N)	Comments
		eight different cryptocurrencies, including Bitcoin, Ethereum, Tether, Bitcoin Cash, and others, using a popular crowdfunding platform Kisskissbankbank. However, as mentioned above, received donations are likely to be converted to fiat currency before being used by the concerned CSOs, as most CSOs do not accept direct payment in cryptocurrency. This is due to different reasons, including: (1) CSOs preference to avoid risks associated with the lack of regulation of cryptocurrencies and lack of protection should CSOs fall victims of scams or fraudulent transactions; and (2) CSOs wishing to use the donated funds to pay service providers who do not use cryptocurrencies.
Donations through social media platforms	N	In practice, this method is not used in Lebanon. However, links to fundraising campaigns are sometimes shared on social media platforms to reach a larger audience.
Fundraising through artificial intelligence (AI) and machine learning (ML) techniques	N	In practice, this method is not used in Lebanon.



MOROCCO



Morocco's civil society is among the most active and dynamic in the MENA region. It plays a significant role in addressing social, economic, and environmental challenges in Morocco. There are over 220,000 associations in Morocco that implement local, national, and international programs dealing with women's inclusion, financial inclusion, environmental issues, entrepreneurship, employability, disability, and others. To support all the work they do, Moroccan CSOs need to fundraise heavily using a wide range of sources and methods.

Morocco's civil society is among the most active and dynamic in the MENA region.

IMPACT OF THE POLITICAL AND ECONOMIC ENVIRONMENT ON THE USE OF NEW DIGITAL TECHNOLOGIES IN CSOS' FUNDRAISING ACTIVITIES

For decades, Moroccan civil society's role focused primarily on 'traditional' charitable projects such as providing humanitarian assistance, alleviating poverty, helping the disabled, promoting education, and supporting provision of medical care.

In recent years, the Moroccan government changed its approach to civil society to give it a greater role in implementing programs promoting sustainable development.

In recent years, particularly since 2006 following the adoption of the National Initiative for Human Development (INDH),⁴³ the Moroccan government changed its approach to civil society to give it a greater role in implementing programs promoting sustainable development. Also, the major reforms that Morocco has undergone, including the passage of amendments to the Decree on the Right to Establish Associations in 2002 and the approval of a new Constitution following the 2011 protests, have helped expand the legal space for civil society and create a more enabling environment for Moroccan CSOs. This has led to several Moroccan CSOs establishing long-term strategies and diversifying their fundraising methods.

43 Since 2006, the government has signed contracts with CSOs to build infrastructure and provide services to promote and sustain human development across Morocco. This approach was in part thanks to support from international donors, who had already been funding CSOs to implement national-scale development programs.

That said, Moroccan CSOs face challenges establishing legally if their missions and activities are considered politically, socially, or culturally sensitive. This also affects fundraising efforts for activities or policy positions that are deemed sensitive. For example, CSOs are unlikely to make calls for public donations for activities related to LGBTQ+ rights. Instead, they attempt to fundraise outside of Morocco to support such activities. Also, the use of coded language is frequent when referring to such sensitive topics in local contexts.

In relation to the diversification of fundraising methods, there has been a rising interest in digital fundraising mechanisms for several years. However, the current local landscape is limited by the pace of legislation. CSOs with access to international networks and partners have successfully raised funds on-

In relation to the diversification of fundraising methods, there has been a rising interest in digital fundraising mechanisms for several years. However, the current local landscape is limited by the pace of legislation.

line in other countries,⁴⁴ leveraging communities of foreign supporters as well as members of the more than 5 million members of the Moroccan Diaspora. Authorities, CSOs, and financial institutions share a common objective channeling the already significant remittances flowing into Morocco (\$4.56 billion in the first half of 2022)⁴⁵ into more impactful and more productive projects. Payment and service providers, having recently launched new products and services for small and medium enterprises, also need to adapt their offers to better serve CSOs and their supporters. Finally, to take advantage of these new fundraising methods, CSOs must also build institutional capacity in areas such as finance and digital marketing and communications.⁴⁶

Use of Internet, Online Services, and Digital Payments in Morocco

Morocco has high levels of mobile phones and internet penetration.

Morocco has high levels of mobile phones and internet penetration. The number of internet users in Morocco in 2021 is estimated at 27.62 million individuals, representing a penetration rate of 74.4%, an increase of 2.3 million (9.1%) between

⁴⁴ [Link.](#)

⁴⁵ [Link.](#)

⁴⁶ Several programs such as the TADAMON Crowdfunding Academy and UNDERCURRENTS aim to bridge this capacity and skills gap to prepare CSOs for the future.

2020 and 2021. On average, these Internet users spend 3.56 hours per day on the Internet, mainly using their mobile phones.⁴⁷ Moroccans' enthusiasm for the internet presents an opportunity for CSOs to leverage digital fundraising to sustain their operations and scale their impact by engaging with a large population of increasingly connected donors.

Digital fundraising is still a relatively nascent practice among CSOs in Morocco, but lags behind other countries on the African continent in terms of online banking and payments. 94.8% of mobile phone users in Morocco access the internet via their phones.⁴⁸ However, the World Bank reported that only 17% of Moroccans over the age of fifteen use digital payments, and only 1.6% of the population buy products and services online.⁴⁹

Digital fundraising is still a relatively nascent practice among CSOs in Morocco, but lags behind other countries on the African continent in terms of online banking and payments.

Entities That Affect Digital Fundraising

Several types of institutions can affect the use of digital fundraising practices by CSOs in Morocco. These include the following:

Institution	Roles
Bank Al Maghrib (BAM)	BAM is the central bank of Morocco. It authorizes and oversees crowdfunding platforms as well as banks and microfinance institutions. It also controls online public calls for donations.
The Exchange Office of Morocco (Office des Changes)	The Exchange Office of Morocco controls the flow of international donations in foreign currencies.
Secretariat General of the Government (SGG)	The SGG handles requests for authorizations to conduct public calls for donations.

⁴⁷ [Link.](#)

⁴⁸ [Link.](#)

⁴⁹ [Link.](#)

Institution	Roles
Ministry of Interior (MOI)	The MOI is the relevant authority for the legal establishment of associations in Morocco. It is also the entity that approves public benefit status requests. ⁵⁰
National Commission for the Control of Personal Data Protection (CNDP) ⁵¹	CNDP ensures that CSOs and regulators comply with data protection policies.

STATUTORY REGULATION OF DIGITAL FUNDRAISING

Framework Laws

Dahir 1-58-376 of 15 November 1958, as amended by Decree 1-733-283 of 1973 and Decree 1-02-206 of 2002 Promulgating Law the law 75-00 on the Rights of Associations, regulates the rights and obligations of CSOs. The Dahir, as amended, allows for the creation of an association, which is the main form of CSOs in Morocco. The Dahir defines an association as *“an agreement to achieve constant cooperation between two or more persons using their information or activities for a non-profit purpose”*.⁵² The Dahir prohibits the formation of associations that pursue objectives which are *“illegal, contrary to good morals, [or which aim] to undermine the Islamic religion, the integrity of the national territory, or the monarchical regime, or call for discrimination.”*⁵³ It provides that an association can be established without prior approval subject to submitting a notification to the relevant authorities within the MOI which includes specific information and documents about the association and its members.⁵⁴ The same process applies

50 Pursuant to Articles 9-13 of Dahir 1-58-376 of 15 November 1958, as amended, the public benefit status allows CSOs holding this status to benefit from tax exemptions. It also facilitates calls for public donations as CSOs holding this status are only required to notify the Secretariat General of the Government about these calls, rather than requesting prior approval.

51 [Link](#).

52 Article 1, Dahir 1-58-376 of 15 November 1958, as amended.

53 Article 3, Dahir 1-58-376 of 15 November 1958, as amended.

54 Articles 5 and 23, Dahir 1-58-376 of 15 November 1958, as amended.

to establishing unions/networks of associations.⁵⁵ The Dahir also covers the process that an association must follow to obtain the public benefit status. Obtaining public benefit status entitles the association to tax benefits along with the ability to apply for government financial support.⁵⁶

Upon legal formation of an association, it will be allowed to open a bank account. There are no legal restrictions regarding banking services. In practice, only large CSOs will have access to the full set of services offered by banks, notably access to credit. However, CSOs that are found to be in violation of the provisions of the Dahir and/or involved in illegal activities are subject to imprisonment, fines, dissolution, as well as confiscation of property and tools used in violation.⁵⁷ This, in turn, will result in the closure of their bank account.

Upon legal formation of an association, it will be allowed to open a bank account. There are no legal restrictions regarding banking services. In practice, only large CSOs will have access to the full set of services offered by banks, notably access to credit.

A legally created association can access a range of funding sources, including government funding, membership fees, private sector funds, and general donations from foreign entities and international organizations.

Moreover, the Dahir includes provisions relating to the collection of resources from domestic or foreign sources. A legally created association can access a range of funding sources, including government funding, membership fees, private sector funds, and general donations from foreign entities

and international organizations.⁵⁸ Associations must notify the SGG upon receipt of foreign funds.⁵⁹ Generally, the Dahir does not place major restrictions on fundraising activities.

Not all Moroccan CSOs are required to provide relevant authorities with annual reports. CSOs that receive funds from specific sources are required to report to relevant authorities. For example, associations that periodical-

55 Article 14, Dahir 1-58-376 of 15 November 1958, as amended.

56 Articles 9-13, Dahir 1-58-376 of 15 November 1958, as amended.

57 According to Articles 3, 7, 8, 27, 29, 30, 31, 32 bis, and 36, Dahir 1-58-376 of 15 November 1958, as amended.

58 Article 6, Dahir 1-58-376 of 15 November 1958, as amended.

59 Article 32 bis, Dahir 1-58-376 of 15 November 1958, as amended.

ly receive funds exceeding MAD10,000 (approximately \$980) from any of the local authorities, public institutions, or companies that the State and/or the previously mentioned entities invest in the capital of, partially or wholly, are required to submit account statements to these entities. Also, CSOs holding public benefit status must submit an annual report to the SGG reflecting how their funds were used. The report must be verified by a certified expert accountant.⁶⁰

However, the increased use of digital technology, and the emergence of new channels of public fundraising, such as through social media platforms, websites of associations, and crowdfunding platforms, triggered the need to provide a legal framework that governs these fundraising mechanisms. Thus, the Moroccan law devoted additional legal texts to address fundraising activity. These are explained in the table below:

The increased use of digital technology, and the emergence of new channels of public fundraising, such as through social media platforms, websites of associations, and crowdfunding platforms, triggered the need to provide a legal framework that governs these fundraising mechanisms.

Title of the Law	Relevant Provisions and Relevance to CSOs
Law 004.71 of October 1971 Concerning Public Calls for Donations ⁶¹	<p>This Law was adopted in October 1971 to regulate calls for donations from the public.</p> <p>All associations are entitled to raise funds from individuals (e.g., members, and individual donors) or organizations (e.g., companies, local or international donors, and public institutions). However, when these fundraising activities are carried out publicly, they are governed by Law 004-71 Concerning Public Calls for Donations.</p>

⁶⁰ Article 9, Dahir 1-58-376 of 15 November 1958, as amended.

⁶¹ Law 004.71 of October 1971 Concerning Public Calls for Donations, [Link \(French\)](#), and [Link \(Arabic\)](#).

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>This Law only concerns offline public calls for donations, regardless of the form that such calls take. The Law defines public calls for donations as “any call addressed to the public with the aim of obtaining, by some means (particularly solicitations, collection of funds, subscriptions, selling badges, parties, dance evenings, charity markets, shows, and concerts), money, things, or products that are provided, in whole or in part, for the benefit of a charitable project, organization, or other individuals...”⁶²</p> <p>The Law stipulates that an association wishing to organize a public call for donations must obtain a license from the SGG. This Law does not take into account modern methods of payment or communication means used in fundraising activities nowadays.</p> <p>This Law stipulates that an addociation wishing to organize a public call for donations must obtain a license from SGG.⁶³ This Law does not take into account modern methods of payment or communication means used in fundraising activities nowadays.</p> <p>This Law will be replaced by Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes (see below).</p>

⁶² Article 1, Law 004.71 of October 1971 Concerning Public Calls for Donations.

⁶³ Article 1, Law 004.71 of October 1971 Concerning Public Calls for Donations.

Title of the Law	Relevant Provisions and Relevance to CSOs
<p>Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes⁶⁴</p>	<p>This Law will replace Law 004.71 of October 1971 Concerning Public Calls for Donations. However, this Law has not yet taken full effect. It is pending the issuance of all the implementation regulations necessary for its implementation.⁶⁵</p> <p>The Law revises the rules and conditions set in Law 004.71 regarding the calls for donations from the public, in light of modern digital communication and payment methods. It also includes rules and conditions pertaining to the distribution of funding for humanitarian and charitable purposes, and oversight measures relating to such donations and funds.⁶⁶</p> <p>A call for donations from the public is defined as “every call directed to the public, with the aim of obtaining money, products, or materials, with the aim of financing or implementing activities, programs, or projects of a social, humanitarian, solidarity, charitable, cultural, or environmental nature, or with the aim of providing assistance or aid to one or more individuals in a vulnerable situation, need, or in a state of distress when disasters, pests, or accidents occur that cause harm to them, or to the benefit of a non-profit social organization that is legally established, whether inside or outside Morocco.”⁶⁷</p>

64 Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes [Link \(Arabic\)](#).

65 Article 43, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

66 Article 1, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

67 Article 2, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>Calls for donations from the public are only allowed by the Law if initiated by legally established associations,⁶⁸ and only after obtaining a license.⁶⁹ This is so irrespective of the nature of the call and the form it takes.⁷⁰ The requirements and process for applying for the license are to be set in an implementation regulation.⁷¹</p> <p>The Law does not apply to donation collection processes which are conducted using “conventional and customary means.”⁷² There is no definition of “conventional and customary means” in the Law.</p> <p>The Law provides that a license to collect funds from the public will not be granted if any of the members of the governing body of the association is charged with “a crime against the state security, a terrorist crime, or a felony or misdemeanor related to money, forgery, counterfeiting, fraud, impersonation, bribery, abuse of power, treachery, embezzlement, squandering of public funds, human trafficking, or money laundering.”⁷³</p>

68 Article 3, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes. This is subject to an exception included in the same Article. The exception allows a group of natural persons to call for donations from the public if the purpose of this is to provide urgent assistance to one or more persons in distress when disasters, pests, or accidents occur that cause harm to them, provided that a license to do so is obtained in advance from the administration.

69 Articles 7-12, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

70 Article 4, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

71 Article 12, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

72 Article 4, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

73 Article 8, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>Collected donations may only be use for the purposes for which they were collected.⁷⁴ They may not be used to cover operational costs of associations.⁷⁵ However, part of such donations may be used to cover the costs of organizing the donation collection process or to pay towards the costs of distributing the aids. This is permitted only if the association does not have other sources to cover such expenses.⁷⁶</p> <p>Donation collection processes may not last longer than one year. Renewal of the collection process is permissible subject to obtaining a renewed license.⁷⁷</p> <p>In addition to the license, and the renewal thereof, the licensed association must notify the relevant local authorities with the date, duration, location, and participants list of the donation collection process.⁷⁸ The licensed association must provide each participant in the collection process with a document that includes information about the participant, the licensed association, and the donation collection process.⁷⁹ Donations may not be received outside the duration of the donation collection process.⁸⁰</p>

74 Article 6, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

75 Article 6, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

76 Article 6, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

77 Article 13, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

78 Article 17, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

79 Article 19, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

80 Article 21, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>Collected donations must be deposited in a bank account created specifically for the donation collection process.⁸¹</p> <p>Licensed associations must inform the public, in any available means, of the amount collected. Donors are entitled to follow up on the sending of donations to ensure the successful allocation of the collected funds towards their set purposes.⁸²</p> <p>Records, information, documents, and financial statements pertaining to the donation collection process must be stored for a period no less than five years.⁸³</p> <p>Licensed associations are required to submit a report detailing the progress of the donation collection process and the total amount of collected donations, including an estimation of the value of in-kind donations, within 30 days from the date on which the process ended. The report is to be supported bank statements.⁸⁴ Moreover, the licensed association is required to provide the relevant authorities with a report proving that the collected donations are spent on their set purposes. If the collected donations exceed MAD 1 million (approximately \$97,000), the licensed association must submit a financial report that is verified by a registered accounts expert or certified auditor.⁸⁵</p>

81 Article 21, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

82 Article 22, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

83 Article 22, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

84 Article 23, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

85 Article 24, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>Donation collection processes may be suspended for multiple reasons, including the event in which the licensed association does not comply with the conditions of the license, the dissolution of the licensed association, the resignation of the governing body of the licensed association without replacement within one month from the date of the resignation, the issuance of a final verdict against one of the members of the governing body of the licensed association with one of the crimes mentioned above, and the achievement of the purposes for which the donation collection process is organized.⁸⁶</p> <p>It is noteworthy that this Law governs public calls for donations which use offline means to make the call and collect donations. Thus, it is to be distinguished from Law 15.18 on Collaborative Financing (Crowdfunding) below which governs public calls for donations which use online means to make the call and collect donations.</p>
Law 15.18 on Collaborative Financing (Crowdfunding) ⁸⁷	<p>This Law was adopted in February 2021, but has not yet taken full effect.</p> <p>This Law governs investments, loans, and donations performed on electronic crowdfunding platforms facilitated by a licensed crowdfunding company.⁸⁸ There is nothing in the Law that prohibits Moroccan associations from using such platforms to collect donations to fund their projects. For the purposes of this Law, a project is defined as “[a]n initiative, whether</p>

⁸⁶ Article 26, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes.

⁸⁷ Law 15.18 on Collaborative Financing (Crowdfunding), [Link \(French\)](#), and [Link \(Arabic\)](#).

⁸⁸ Article 1, Law 15.18 on Collaborative Financing (Crowdfunding). Please see Article 2 for the definition of a crowdfunding company.

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p><i>profitable or non-profitable, whose purpose, duration, and amount of completion are determined in advance, and which is presented by a person or group of persons, whether natural or legal, who seek to obtain cooperative financing.</i>⁸⁹</p> <p>The Law includes specific provisions that govern using crowdfunding platforms to collect donations from the public. Article 52 of the Law states that this type of crowdfunding is conducted in the form of cash donations collected to the benefit of the project holder.⁹⁰ Any crowdfunding process of the “donation” category that exceeds MAD500,000 (approximately \$48,000) is subject to prior approval. The requirements and process for obtaining the prior approval are yet to be specified in an implementation regulation. A copy of the approval should be attached to a memorandum which project holders must provide to present the project for which the crowdfunding campaign is organized.⁹¹</p> <p>The Law prohibits the use of donations collected to fund a particular project for purposes other than those specifically included in the memorandum introducing the project.⁹² Project holders are required to respect and comply with the obligations set in the memorandum,⁹³ and to update, the contributors at the end of the funding process, particularly through</p>

89 Article 2, Law 15.18 on Collaborative Financing (Crowdfunding).

90 Article 2 of Law 15.18 on Collaborative Financing (Crowdfunding) defines a project holder as “[e]very person or group of persons, whether natural or legal, who presents a project on a cooperative financing (crowdfunding) platform, with the aim of obtaining cooperative financing.”

91 The requirement to prepare a memorandum presenting the project is included in Article 46 of Law 15.18 on Collaborative Financing (Crowdfunding).

92 Article 40, Law 15.18 on Collaborative Financing (Crowdfunding).

93 Article 46 Law 15.18 on Collaborative Financing (Crowdfunding).

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>the crowdfunding platform, about the status of the project and any relevant challenges.⁹⁴ The specific means and requirements for updating contributors are yet to be explained in an implementation regulations.⁹⁵</p> <p>A project that is published on one crowdfunding platform cannot be published on other crowdfunding platforms at the same time.⁹⁶</p> <p>Crowdfunding for a project cannot run for longer than 6 months.⁹⁷ Crowdfunding companies are required to terminate the crowdfunding activity if the project achieves the target amount of donations.⁹⁸</p> <p>The Law also limits the maximum amount of donations per project that can be collected annually to MAD 10 million (approximately \$968,000). It also sets a maximum amount of donations per project to MAD 20 million (approximately \$1,936,000).⁹⁹ Moreover, the Law provides that a limit on the maximum donation made by one person, through crowdfunding processes whether to one or several projects, is to be set in an implementing regulation.¹⁰⁰</p> <p>Regulators have published some implementing regulations in June 2022.¹⁰¹ However, further implementation regulations are needed in order to fully implement the Law.</p>

94 Article 47, Law 15.18 on Collaborative Financing (Crowdfunding).

95 Article 47, Law 15.18 on Collaborative Financing (Crowdfunding).

96 Article 41, Law 15.18 on Collaborative Financing (Crowdfunding).

97 Article 41, Law 15.18 on Collaborative Financing (Crowdfunding).

98 Article 41, Law 15.18 on Collaborative Financing (Crowdfunding).

99 Article 42, Law 15.18 on Collaborative Financing (Crowdfunding).

100 Article 43, Law 15.18 on Collaborative Financing (Crowdfunding).

101 [Link](#).

Other Laws and State Practices Impacting the Regulation of Digital Fundraising

In addition to the above-mentioned laws which specifically address CSOs' access to funding, including through digital means, there are other laws that may impact access to and the use of digital fundraising tools. These are summarized in the table below:

Title of the Law	Relevant Provisions and Relevance to CSOs
Law 47.06 Concerning Local Authorities Taxation ¹⁰²	<p>Article 6(4) of this Law provides that “[a]ssociations and legally assimilated non-profit organizations” are among the entities that may benefit from a permanent tax exemption. However, this only applies to “operations relating to their purposes as defined in their statutes”. This exemption does not apply to entities held by associations and non-profit entities that sell goods and services.</p> <p>Apart from the above tax exemption, there are no other tax incentives for CSOs raising funds, regardless of whether such fundraising activity is performed offline or using digital means.</p>
Anti-terrorism regulations	<p>The Moroccan Penal Code¹⁰³ addresses CSOs' role in combatting terrorism and provides, in Article 218-1-9, that “forming a gang or agreement with a view to prepare for or commit an act of terrorism” constitutes an act of terrorism. Also, Article 218-4 states that: “[f]inancing terrorism shall constitute an act of terrorism.” It further provides that: [t]he following offences shall constitute an act of terrorist financing, even if it takes place outside Morocco, and regardless whether the funds are used, providing, supplying, collecting, or managing, on purpose, by any means</p>

¹⁰² Law 47.06 Concerning Local Authorities Taxation, [Link](#).

¹⁰³ The Moroccan Penal Code, [Link](#).

Title of the Law	Relevant Provisions and Relevance to CSOs
	<p>whatsoever, directly or indirectly, funds or property with the intention that they are used, or with knowledge that they will be used, in whole or in part, to commit an act of terrorism, regardless of the occurrence of such an act....”</p> <p>These Articles apply to both natural and legal persons, including CSOs. Thus, CSOs will need to practice caution when receiving funds from unfamiliar sources.</p>
<p>Law 09.08 on the Protection of Individuals Regarding the Processing of Personal Data¹⁰⁴</p>	<p>Pursuant to Article 12 of this Law, associations and non-profit entities are not required to obtain permission to process personal data, provided that such data (1) only concerns the members of the association or persons with whom the association have regular contact within the frame of the associations’ activities; (2) has been voluntarily communicated by the individuals in question. Where the exemption conditions are not fulfilled, CSOs are required to obtain consent before processing personal data. This applies, for example, to donors and beneficiaries.¹⁰⁵</p> <p>On a related point, CSOs are not required to publish data regarding donors that wish to stay anonymous, however they are required to share information with fiscal authorities.</p> <p>Moreover, persons, including donors and beneficiaries, may request the modification and/or the removal of their data.¹⁰⁶</p>

104 Law 09.08 on the Protection of Individuals Regarding the Processing of Personal Data, [Link](#).

105 Article 4, Law 09.08 on the Protection of Individuals Regarding the Processing of Personal Data.

106 Article 8, Law 09.08 on the Protection of Individuals Regarding the Processing of Personal Data.

DIGITAL FUNDRAISING PRACTICES

Below is a list of local digital fundraising practices as well as information on their status in Morocco at the time of writing:

Digital Fundraising Method	Permitted or Banned?	Comments
Collection of donations through CSOs' websites (e.g., placing donate or support button)	Permitted	<p>This method is currently permitted. However, CSOs will need to obtain a prior license once the above-mentioned Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes goes into effect.</p> <p>In practice, 'donate' buttons are rarely used by Moroccan CSOs.</p>
Anonymous donations Partially	Partially Permitted	<p>There is no regulation that prohibits CSOs from withholding the identity of donors from the public. In practice, many CSOs offer this option to donors and contributors. However, the source of all donations must be provided in reports that are required to be submitted to relevant authorities to comply with anti-money laundering regulations. Also, Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes requires licensed CSOs to submit reports and bank statements to relevant authorities. As such, it is unlikely that anonymity can be kept from the relevant authorities.</p>

Digital Fundraising Method	Permitted or Banned?	Comments
Cross-border digital fundraising	Permitted	<p>This method is permitted.</p> <p>As mentioned above, Dahir 1-58-376 of 1958, as amended, does not impose restrictions on access to funding, whether from domestic or foreign sources. However, it does require the legal establishment of associations before an association is able to engage in any fundraising activity. Also, it prohibits associations from using funds to perform any illegal activities.¹⁰⁷</p> <p>Moreover, for legally established associations to collect donations from the public, through any medium, they must obtain a license pursuant to Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes. Of course, an association must have a bank account to receive funds. The process to open an account is smooth for legally established associations if all the necessary documents are ready.¹⁰⁸</p> <p>If the cross-border fundraising activity is performed via crowdfunding</p>

¹⁰⁷ Broadly speaking, this means that the CSO is not funding actions prohibited by law (terrorism, money laundering, and other criminal activities.) This includes 'moral' legislation regarding sex, drugs and alcohol, and religion.

¹⁰⁸ A CSO with a final receipt can open a bank account in any financial institution. This process takes less than a business day if all the required documents are available (the association's bylaws, the ID of the president, the final receipt for registration).

Digital Fundraising Method	Permitted or Banned?	Comments
		platforms, the requirements of Law 15.18 on Collaborative Financing (Crowdfunding) apply.
Use of intermediary service providers or aggregators of funds ¹⁰⁹ to process foreign donations	Permitted	There are no regulations that directly address or expressly prohibit the use of intermediary service providers or fund aggregators to process foreign donations.
Online debit or credit card payments	Permitted	<p>Online debit and credit card payments are authorized, provided the association receiving the funds has an account with a payment operator.</p> <p>Local payments in Moroccan Dirhams are processed separately from international payments in foreign currency.</p> <p>Every registered association can access this service within 2 to 3 business days. The fees differ from a financial institution to another depending on their business model and the services they provide.</p>
Online payment systems	Permitted	Online payment systems require a license from Bank Al-Maghrib (BAM), the Moroccan central bank, and the Office des Changes for international payments.

¹⁰⁹ For example: foreign CSOs, payroll companies, agents, other financial and non-financial business entities.

Digital Fundraising Method	Permitted or Banned?	Comments
		Several local platforms exist to serve the local market (e.g., AmanPay, Payzon, and CMI). Moreover, some international platforms are available in Morocco, such as PayPal, albeit with some restrictions. For example, PayPal is currently available when connected to a bank account, and is only offered by two financial institutions. These platforms may have high fees for CSOs.
Online bank and wire transfers	Permitted	CSOs can send and receive wire transfers to their bank accounts, both domestically and internationally. However, CSOs need to provide their banks documents that justify transfers (e.g., receipts, bills, proofs of donation).
Cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs	Permitted	Moroccan CSOs can receive donations via mobile banking applications or ATMs. However, in practice this is rare as most donations are made in cash, or via checks and wire transfers.
Mobile (SMS) donations or mobile service operators facilitating SMS fundraising	Permitted	<p>There are no express prohibitions on SMS fundraising in Morocco. SMS donations are therefore permitted and are governed by partnership agreements with telecommunication companies.</p> <p>Given that this is likely to be a call for donations from the public, associations must obtain a license from the</p>

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>relevant authority pursuant to Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes. Associations will provide evidence of their licenses to the telecommunication companies before entering into partnership agreements.</p> <p>In practice, this method has primarily been used by very large organizations, as the costs can be prohibitive.</p>
Crowdfunding on local or international platforms	Permitted/ not yet operational	<p>This method is regulated by the above-mentioned Law 15.18 on Collaborative Financing (Crowdfunding). The Law allows the establishment and operation of crowdfunding platforms, albeit subject to obtaining a license from BAM and/or the Moroccan Capital Market Authority (AMMC). The AMMC recently launched a new platform to provide guidance on matters relating to crowdfunding, however, the platform is yet to be populated with the resources.¹¹⁰ Regulators are yet to specify the licensing process and requirements for new local platforms.</p> <p>Crowdfunding via international platforms is common and is treated as foreign funding by the relevant authorities. Examples of popular platforms in</p>

¹¹⁰ [Link](#).

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>Morocco include Wuluj, LaunchGood, KissKissBankBank, and Zoomaal.</p> <p>As an outline, the crowdfunding journey can be summarized in the phases and steps below. The outline is based on relevant published laws and regulations at the time of writing (explained in more detail in the tables above). However, as discussed earlier, there remains a need to adopt several implementing regulations to give the passed laws their full effect.</p> <ul style="list-style-type: none"> • A legally established association can launch a crowdfunding campaign to finance a project. • Before the Campaign: <ul style="list-style-type: none"> o The association must be legally established and have a bank account to receive funds.¹¹¹ o The association selects a crowdfunding platform in Morocco licensed by BAM, or a foreign platform licensed in their country of operation. o The association submits a memorandum presenting the project and setting the target amount to raise. The target amount must not exceed

111 Some CSOs encounter difficulties during the registration process, notably if members of the executive board have a criminal record, or if the organization's mission or activities are deemed illegal or politically sensitive by the Ministry of Interior. Some CSOs working on topics such as human rights, LGBTQ+ rights, political advocacy, religion, and sexual and reproductive freedom have seen their registration delayed or refused.

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>MAD 10 million (approximately \$968,000) per year and MAD 20 million (approximately \$1,936,000) in total per project.¹¹²</p> <ul style="list-style-type: none"> o As explained earlier, donation campaigns aiming to raise more than MAD 500,000 (approximately \$48,000) are subject to prior authorization from the SGG. o The association signs a service contract and provides bank details and information about the organization and, if using a Moroccan platform, its board members. • During the campaign: <ul style="list-style-type: none"> o A crowdfunding campaign on a local platform cannot exceed 6 months and cannot run on several local platforms at the same time. Campaigns on international platforms are subject to local regulations and platform policies. o In the case of a local platform, the campaign is required by law to stop when the requested amount has been reached, or if 6 months have passed since the campaign's launch,

¹¹² Article 42, Law 15.18 on Collaborative Financing (Crowdfunding).

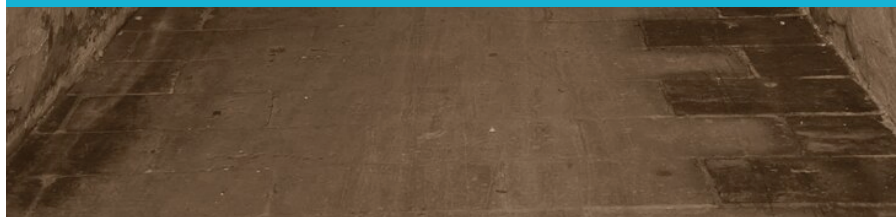
Digital Fundraising Method	Permitted or Banned?	Comments
		<p>regardless of the amount collected. On international platforms, the campaign can continue after having exceeded its initial goal.</p> <ul style="list-style-type: none"> o International platforms generally do not send funds directly to Morocco, either due to local regulation or company policy. Associations raising funds via international platforms will receive the donation via a partner organization or a member with a bank account registered in a country where the platform operates. The partner will then wire transfer the collected amount to the association's Moroccan Bank account. This is treated like any other foreign donation by authorities. • After the Campaign: <ul style="list-style-type: none"> o Organizations registered in Morocco must declare donations they receive to the tax authorities. o Locally registered crowdfunding platforms are required to report on the results of campaigns to contributors and to the relevant authorities.
Donations in cryptocurrencies	Banned	All cryptocurrencies are currently banned by BAM through a press

Digital Fundraising Method	Permitted or Banned?	Comments
		release published in November 2017. ¹¹³ However, there is a very active illicit crypto-trading community in Morocco.
Donations through social media platforms	Permitted	<p>Currently, there are no express prohibitions or restrictions to using this method. CSOs may post calls for donations as well as payment details on social media. However, this method is not widely used as the fees and commissions from platforms are prohibitive to many CSOs in Morocco.</p> <p>Furthermore, new measures have been introduced in the above-mentioned Law 18.18 on the Organization of Calls for Donations from the Public and the Distribution of Aid for Charitable Purposes to better control calls for public donations, albeit they are not specifically related to social media platforms.</p>
Fundraising through artificial intelligence and machine learning techniques	Unclear	There is currently no legislation in place regarding the use of artificial intelligence or machine learning in fundraising. In the absence of express prohibition, these methods may be considered permissible. However, in practice, they are not widely used.

¹¹³ Press release that bans cryptocurrencies: [Link](#).



PALESTINE



Palestine has been under occupation since 1948. The political context has played a critical role in shaping civic space and the role of CSOs. Since the signing of the Oslo Accords, Palestine has received around \$40

The political context has played a critical role in shaping civic space and the role of CSOs.

billion in development assistance from foreign countries. This has caused a rapid increase in the number of CSOs in Palestine post-1993. 60.5% of the Palestinian CSOs were established after 1994, 33.7% of them between 1994 and 2000, and 26.6% after 2000.¹¹⁴ Palestinian CSOs work in all sectors, education, health, gender equality and women empowerment, children rights and protection, rights of persons with disabilities, rule of law and democracy, human rights, humanitarian aid, charity, and others.

Despite their active role since 1948, Palestinian CSOs working on humanitarian, development, and human rights have been suffering from restrictions and attacks by the Israeli authorities and right-wing lobbyists.

Despite their active role since 1948, Palestinian CSOs working on humanitarian, development, and human rights have been suffering from restrictions and attacks by the Israeli authorities and right-wing lobbyists.¹¹⁵ This has further exacerbated given the current war on Gaza. Also, Palestinian

laws, regulations, and implementation practices have been increasingly closing the space on CSOs.

IMPACT OF THE POLITICAL AND ECONOMIC ENVIRONMENT ON THE USE OF NEW DIGITAL TECHNOLOGIES IN CSOS' FUNDRAISING ACTIVITIES

Most CSOs in Palestine are not aware of the digital fundraising options and tools. This is based on a general perception of several organizations that provide crowdfunding services and trainings to Palestinian CSOs (like

114 Palestine Economic Policy Research Institute (MAS), "Mapping Palestinian Non-Governmental Organizations in the West Bank and the Gaza Strip" in 2007, [accessible here](#).

115 The Palestinian NGO Network (PNGO), "Scoping Study on Operating Conditions of Civil Society in the Occupied Palestinian Territory", accessible [here](#). The study expands on the political conditions that Palestinians CSOs operate under.

BuildPalestine),¹¹⁶ as well as organizations that offer fiscal sponsorship to Palestinian CSOs (e.g., Middle East Children Alliance (MECA)). The majority of Palestinian CSOs have not tried to use digital technologies to access funding. They have often relied on submitting proposals and receiving grants from, predominantly, international institutions and organizations.

Most CSOs in Palestine are not aware of the digital fundraising options and tools.

Access to Banking Services in Palestine

Palestine has an extremely low financial inclusion indicators, measured as access to and use of financial products and services by all segments of the society

*“Palestine has an extremely low financial inclusion indicators, measured as access to and use of financial products and services by all segments of the society”.*¹¹⁷ According to the Palestinian Capital Market Authority (PCMA), the current financial inclusion rate is around 36.4% of adult individuals. The PCMA indicated that one of their main objectives is to raise the financial inclusion percentage to 50% by the end of 2025.¹¹⁸ This objective is in line with the National Financial Inclusion Strategy Action Plan 2018-2025.¹¹⁹ Also, surveys on the issue revealed-

*“humble financial literacy at all levels of the Palestinian society, even though the male population surveyed was more knowledgeable than the female population. In fact, more than half of the west bank population and two-thirds of the adult population in the Gaza strip have poor financial literacy. Moreover, individuals are rarely aware of financial regulators, especially in the non-banking financial sector. However, the younger generation is less hesitant to use digital and alternative financing products”.*¹²⁰

¹¹⁶ [Home - BuildPalestine](#).

¹¹⁷ Palestine goes crowdfunding: A Preliminary Assessment Report on Peer-To-Peer Lending and Equity Crowdfunding in Palestine, p.18.

¹¹⁸ Financial Inclusion in Palestine, Palestinian Capital Market Authority, last updated in 2022. Last visited on 20 Sep 2022. Available [here](#). Also look [here](#), and [here](#). Also see: “Financial Inclusion in Palestine”, a study done by Palestine Economic Policy Research Institute (MAS) in 2016, accessible [here](#). See also [here](#).

¹¹⁹ The National Financial Inclusion Strategy Action Plan 2018-2025 can be accessed [here](#).

¹²⁰ Palestine goes crowdfunding: A Preliminary Assessment Report on Peer-To-Peer Lending and Equity Crowdfunding in Palestine, p.18.

Financial Service Providers Operating in Palestine

Small and/or new CSOs are usually not allowed to open bank accounts at the two biggest banks in Palestine - Bank of Palestine and the Arab Bank. These CSOs are viewed by the banks as risky, especially as much of the banks' internal regulations and procedures are inspired by anti-money laundering and countering terrorist financing.¹²¹ Also, profits made by allowing small CSOs financial access are not 'worth' designating resources to study associated risks and adopt corresponding measures. Not being able to open a bank account effectively means that the CSO cannot hold any activities for which it needs to receive funds. This is because the relevant Palestinian laws and regulations require CSOs to deposit any funds they receive in their bank accounts.¹²² Furthermore, not having financial access to, say, Bank of Palestine, means that such CSOs will not have access to Bank of Palestine's payment gateway, the only gateway in Palestine (see below for more details).

Small and/or new CSOs are usually not allowed to open bank accounts at the two biggest banks in Palestine.

No financial processors, domestic or international, operate in Palestine.

Also, no financial processors, domestic or international, operate in Palestine. For example, Stripe and Paypal, the two most important financial processors, do not operate in Palestine. This creates a challenge for Palestinian CSOs who are unable to set up accounts on these platforms and are therefore prevented from using them to collect donations.

Entities That Affect Digital Fundraising

Several types of institutions can affect the use of digital fundraising practices by CSOs in Palestine. These include the following:

¹²¹ Anti-money laundering and counter-terrorism measures were heightened following lawsuits against Arab Bank in the U.S. Please see [here](#).

¹²² See, for example, Article 31 of Law No. 1 of 2000 on Charitable Associations and Community Organizations.

Institution	Roles
The Ministry of Interior	The Ministry of Interior is the ministry at which associations must register. It also has the NGO Directorate which provides permits for some fundraising methods, as is detailed later.
The Council of Ministers and the Ministry of National Economy	The Ministry of National Economy is the ministry at which non-profit companies (NPCs) must register. The Council of Minister is the entity that provides NPCs with funding approvals, as is detailed later.
The Competent Ministries	These are the ministries under the competence of which CSOs' objectives fall. These ministries oversee the activities of CSOs and receive their administrative and financial reports.
The Palestine Monetary Authority (PMA)	The PMA is the emerging central bank of Palestine. It is <i>"an independent public institution responsible for the formulation of monetary and banking policies to maintain price stability and low inflation, foster financial stability, and safeguard the banking sector and promote sustainable growth of the national economy"</i> . ¹²³ The Anti-money laundry Unit in the PMA is the regulating body for laws and policies concerning the ability of CSOs to receive online donations. It was reported that the Unit is currently working on regulations to control the ability of CSOs to receive online donations as they see this as a huge risk to eliminate. ¹²⁴ The PMA's regulations, instructions, circulars, and policies are communicated with all the banks operating in Palestine in order to ensure compliance. Most banks in Palestine have even harsher scrutiny over CSOs than required by the PMA through their internal regulations and procedures.

¹²³ See [this factsheet](#) on the [PMA](#).

¹²⁴ It should be noted that [Instructions No. 10 of 2019 Concerning the Position of Anti-Money Laundering and Counter-Terrorism in Banks](#) explain all related aspects to the creation of such a position in banks and all related duties.

Institution	Roles
Banks operating in Palestine	Banks in Palestine are subject to the oversight of the PMA and are required to adhere to the PMA's instructions. They can, and do, adopt stricter internal regulations and procedures in line with their risk appetite.

STATUTORY REGULATION OF DIGITAL FUNDRAISING

Framework Laws

Palestinian laws and regulations do not expressly regulate digital fundraising. However, the below laws and regulations impact any funding resource, offline or digital.

Palestinian laws and regulations do not expressly regulate digital fundraising.

1. Law No. 1 of 2000 On Charitable Associations and Community Organizations¹²⁵ and Decision of the Council of Ministers No. 9 of 2003 Concerning the Executive Regulations of Law No. 1 of 2000 Concerning Charitable Associations and Community Organizations:¹²⁶

Law No. 1 of 2000 On Charitable Associations and Community Organizations is the Palestinian law that regulates freedom of association. The Law provides one definition of both a 'charitable association' and a 'community organization'. According to the definition, the only legal form covered in the Law is that of an 'association'. An association is defined as any institution with *"independent legal 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."*¹²⁷

To form and operate an association in Palestine, registration at the Ministry

¹²⁵ The Law can be accessed [here](#).

¹²⁶ The Decision can be accessed [here](#).

¹²⁷ Article 2, Law No. 1 of 2000 On Charitable Associations and Community Organizations.

of Interior is mandatory.¹²⁸ The Ministry must decide on the registration application within two months after its submission. If no decision is made within the 2-month timeframe, the association is considered registered by law.¹²⁹ However, in practice, in some instances of default registration, the Ministry refused to issue registration certificates which will very likely have an adverse impact on associations' activities and will prevent them from opening a bank account, which in turn will affect their ability to receive funds. The Ministry may decide to reject the registration application. If so, the rejection must be in writing and must specify the reasons.¹³⁰ However, the Law does not contain a list of permissible grounds for rejecting a registration application. This grants wide discretion to the Ministry. In practice, there are occasions where the Ministry has rejected a registration application because "there are other registered associations that provide the same services." Foreign associations can establish branches in Palestine upon receiving the approval of the Ministry of Interior and the Ministry of Planning and International Cooperation.¹³¹

The Law does not place limitations on the rights of an association. However, in recent years, the government has been exerting control over CSOs through amendments, regulations, ministerial decisions, or informal practices towards CSOs. For example,

In recent years, the government has been exerting control over CSOs through amendments, regulations, ministerial decisions, or informal practices towards CSOs.

in 2021, the government issued Decree by Law No. 7. The Decree requires CSOs to align their annual workplans with the plans of relevant government ministries. It also provides that an organization's operating expenses and employee salaries could not exceed 25 percent of its annual budget. Due to civil society advocacy, the government suspended enforcement of Decree by Law No. 7. Nonetheless, CSOs are concerned that this Decree reflects the government's intent to exercise greater control over CSOs.

The Competent Ministries have the right to "*scrutinize the activity of any*

128 Article 4(1), Law No. 1 of 2000 On Charitable Associations and Community Organizations.

129 Article 4(3), Law No. 1 of 2000 On Charitable Associations and Community Organizations.

130 Article 4(4), Law No. 1 of 2000 On Charitable Associations and Community Organizations.

131 Article 34, Law No. 1 of 2000 On Charitable Associations and Community Organizations.

*Association or Organization ... to ascertain that its funds have been spent for the purposes for which they were allocated.*¹³² The Competent Ministry is defined as “[t]he Ministry under the competence of which the activities of the Association would fall.”¹³³ This may allow inappropriate government intervention in CSOs’ activities.

Associations are generally free to raise funds from foreign and domestic sources without seeking prior approval. Article 32 of the Law states that Associations are permitted to receive unconditional assistance to carry out their work. Decision of the Council of Min-

Associations are generally free to raise funds from foreign and domestic sources without seeking prior approval.

isters No. 9 of 2003 Concerning the Executive Regulations of Law No. 1 of 2000 Concerning Charitable Associations and Community Organizations (Executive Regulation) provides that Associations are allowed to collect membership fees and donations, accept grants and unconditional aid, and carry out income-generating activities so long as the income is not distributed between members.¹³⁴ Article 51 of the Executive Regulation specifies what is not considered conditional assistance. This includes *“1. assistance where the funder requires the association to follow certain accounting rules to ensure transparency and proper use of assistance. 2. Assistance where the funder stipulates that it must be spent on a specific activity of the association or to cover a specific item of the association’s budget or the funded project.”* Article 33 of the Law states that *“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.”* There are no other legal provisions in the Law or the Executive Regulation that address fundraising and access to resources.

Although not required in the Law or the Executive Regulation, associations in practice are required to obtain approval before depositing funds in their bank accounts. To obtain the approval, associations have to provide the

¹³² Article 6, Law No. 1 of 2000 On Charitable Associations and Community Organizations.

¹³³ Article 2, Law No. 1 of 2000 On Charitable Associations and Community Organizations.

¹³⁴ Article 50, Decision of the Council of Ministers No. 9 of 2003 Concerning the Executive Regulations of Law No. 1 of 2000 Concerning Charitable Associations and Community Organizations.

bank with the contract with the granting entity and/or the information about individual donors, as the case may be. The legal department in the bank will check with the PMA regarding the standing of the granting entity/individual donor. Following confirmation that there are no concerns, the bank will allow depositing the funds. In practice, it takes around 3 days to get the approval from the PMA and deposit the money.

Although not required in the Law or the Executive Regulation, associations in practice are required to obtain approval before depositing funds in their bank accounts.

Moreover, Law No. 1 of 2000 on Charitable Associations and Community Organizations requires that associations submit administrative and financial reports on an annual basis. The administrative report should contain a full description of the activities of the association during the period of reporting. The financial report must be signed by a licensed auditor and must contain a detailed revenue and expenditure account of the association's finances.¹³⁵ This means that any collected donations and funds must be reflected in the annual reports. These reporting obligations apply to all associations regardless of their size or the nature of their work, for example, if an association works in the humanitarian field, this does not lessen the reporting burden on it.

2. Law by Decree No. 42 of 2021 Concerning Companies¹³⁶ and Non-Profit Companies Regulation No. 20 of 2022:¹³⁷

There is another form of non-profit entities in Palestine –NPCs. Law by Decree No. 42 of 2021 Concerning Companies allowed the establishment of NPCs.¹³⁸ NPCs take the form of private shareholding companies. The Law by Decree stipulated that a regulation issued by the Council of Ministers is to provide details about such NPCs, including, among other matters, the process and requirements of the registration of NPCs, oversight measures, and the procedures for receiving donations and assistance.

¹³⁵ Article 13, Law No. 1 of 2000 on Charitable Associations and Community Organizations.

¹³⁶ The Law by Decree can be accessed [here](#).

¹³⁷ The Regulation can be accessed [here](#).

¹³⁸ Article 29(2), Law by Decree No. 42 of 2021 Concerning Companies.

Non-Profit Companies Regulation No. 20 of 2022 was then issued by the Council of Ministers. The Regulation provides that a non-profit company (NPC) must be registered at the Companies Registrar at the Ministry of National Economy.¹³⁹

As a prerequisite to being registered, an NPC must receive the approval of the Competent Entity for the NPC.¹⁴⁰ The Competent Entity for the NPC is the entity under which the NPC's main activities are listed.¹⁴¹ The Regulation requires NPCs to provide a service or conduct economic, social, cultural, community-focused, developmental, or other activities in pursuit of public benefit and without making profits.¹⁴² Any profits made must not be distributed among shareholders,¹⁴³ but rather re-invested in the aims and objectives of the NPC.¹⁴⁴

The financial resources for NPCs include gifts, donations, grants, financing, aids, and other from domestic and foreign sources so long as such resources are not conditional.¹⁴⁵ NPCs are required to obtain the approval of the Council of Ministers and/or the Minister of National Economy before accepting any funds.¹⁴⁶ NPCs can organize activities and create income-generating activities upon receiving the approval of the Registrar.¹⁴⁷ The approval process and requirements are outlined in Article 13 of the Regulation.

NPCs are required to obtain the approval of the Council of Ministers and/or the Minister of National Economy before accepting any funds.

Article 15(1) of the Regulation states that NPCs may be exempted from

¹³⁹ Article 4, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴⁰ Article 7, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴¹ Article 1, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴² Article 29(2)(b), Law by Decree No. 42 of 2021 Concerning Companies, and Article 10, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴³ Article 29(2)(b), Law by Decree No. 42 of 2021 Concerning Companies, and Article 3, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴⁴ Article 29(2)(c), Law by Decree No. 42 of 2021 Concerning Companies, and Article 10, Non-Profit Companies Regulation No. 20 of 2022.

¹⁴⁵ Article 12(1), Non-Profit Companies Regulation No. 20 of 2022.

¹⁴⁶ Article 12(2), Non-Profit Companies Regulation No. 20 of 2022.

¹⁴⁷ Article 12(3), Non-Profit Companies Regulation No. 20 of 2022.

needing approval by a decision of the Minister of Economy upon the recommendation of the Registrar if the total annual amount of funds does not exceed \$100,000. Also, NPCs can obtain a decision from the Minister of Economy upon the recommendation of the Registrar, once a year, exempting them from needing to secure prior approval on funds, donations, and aids related to fixed monthly and periodic operational expenses.¹⁴⁸ However, the Regulation requires that salaries and operational expenses do not exceed 25% of the NPC's budget.¹⁴⁹ NPCs must provide the Registrar, annually, with a record of their employees and their salaries.¹⁵⁰

NPCs are required to submit to the Registrar annual reports which describe all its activities and its sources of funding. The report must include its approved budget, certified by their signatories and auditors.¹⁵¹ NPCs are also required to submit quarterly administrative, technical, and financial reports to the Competent Entity for the NPC detailing the progress of its projects and activities that NPCs had already secured funding for.¹⁵² NPCs are required to adopt internal regulations which ensure that all the funds are fully used in accordance with the NPC's mission, goals, and activities.¹⁵³ NPCs are also required to provide the Registrar, on a half-yearly basis, with an analysis of its projects and their impact on society as well as an analysis derived from its financial statements.¹⁵⁴ These reporting obligations apply to all NPCs regardless of their size or the nature of their work.

3. Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022:

Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022¹⁵⁵ is another legislation that relates to gathering

148 Article 15(2), Non-Profit Companies Regulation No. 20 of 2022.

149 Article 11(1), Non-Profit Companies Regulation No. 20 of 2022.

150 Article 11(5), Non-Profit Companies Regulation No. 20 of 2022.

151 Article 8(2), Non-Profit Companies Regulation No. 20 of 2022.

152 Article 29(2)(e), Law by Decree No. 42 of 2021 Concerning Companies, and Article 8(3), Non-Profit Companies Regulation No. 20 of 2022.

153 Article 28, Regulation No. 20 of 2022 concerning Non-Profit Companies. Look the annexed guidance issued by the ministry of interior regarding the financial and administrative reporting.

154 Article 11(8), Non-Profit Companies Regulation No. 20 of 2022.

155 The Regulation can be accessed [here](#).

funds, albeit for social and charitable purposes. Article 3 of this Regulation allows charitable associations and community organizations to collect donations for charitable purposes of public benefit upon receipt of a permit from the NGO Directorate at the Ministry of Interior.¹⁵⁶ The Regulation defines public benefit activities as *“[t]he works and*

Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022 allows charitable associations and community organizations to collect donations for charitable purposes of public benefit upon receipt of a permit from the NGO Directorate at the Ministry of Interior.

*activities provided by the Association or Organization to all citizens in accordance with its objectives approved in its statute, whether social, economic, cultural, community-focused, developmental, or other, which it provides voluntarily for the purposes of improving the level of citizens socially, health-wise, professionally, materially, spiritually, artistically, athletically, culturally, or educationally”.*¹⁵⁷ Donations collection is defined as *“[a]ny activity carried out by an Association or Organization, through it or through others, to collect money and cash or in-kind assistance without compensation by any means to carry out charitable works of public benefit, from a natural or legal person inside or outside the country”.*¹⁵⁸ The permit requirement is imposed on all associations whose statutes allow for donation collections for charitable purposes of public benefit.¹⁵⁹ The duration of donations collection process must not extend beyond six months from the date of the permit.¹⁶⁰ The permit may be extended once and for a period not exceeding 30 days upon a request submitted by the association.¹⁶¹ An association that receives a permit to collect donations can do so using different media including local telecommunications companies, billboards, local media, flyers or brochures, and social media.¹⁶² When advertising the donation collections, the

156 Articles 6-8 of Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022 details the process for obtaining the permit.

157 Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

158 Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

159 Article 2, Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

160 Article 9(2), Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

161 Article 9(3), Article 1, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

162 Article 14, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

association must include the number of the permit, the headquarters of the association and its phone numbers, and information about the charitable works of public benefit it is collecting donations for. It must also include its bank account details.¹⁶³ Any donations received must be deposited in the bank account.¹⁶⁴ The association must report on the collected donations in its official records and in its annual budget.¹⁶⁵

Also, under this Regulation, associations are allowed to collect donations through closed boxes upon receipt of permit from the NGO Directorate. To use this method, associations should set the number of boxes, places where the boxes will be placed, starting date and period of donations collection, all of which must be done in coordination with the NGO Directorate. Collection boxes should provide all the information required by the NGO Directorate. These include the association name, box number, the start and end date of collecting the donations, the stamp of the association.¹⁶⁶ A committee must be created for the purpose of overseeing the donations collection process. The opening of these boxes must occur with the presence of a representative of the Competent Ministry, the NGO Directorate, and the association.

Furthermore, associations are allowed to collect donations through organizing parties, charitable bazaars, and sport competitions¹⁶⁷ subject to obtaining a permit from the NGO Directorate.¹⁶⁸ Associations must print tickets/invitation cards to these events which include information about the ticket price, the name of association and its registration number, and the event information such as the location and date.¹⁶⁹ Unsold tickets must

163 Article 15, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

164 Article 16(2), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

165 Article 16(4), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

166 Article 17, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

167 Article 19, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

168 Article 20(1), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

169 Article 20(2), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

be counted in the presence of a representative of the NGO Directorate.¹⁷⁰ The Association must deposit any collected donations in its bank account.¹⁷¹

Associations may receive cash and in-kind donations from any natural or legal person inside the country.¹⁷² If the donation is in the form of a vehicle or a fixed asset, the association must notify the NGO Directorate in writing.¹⁷³ Associations may receive unconditional assistance from outside the country upon a decision accepting the assistance by the board of directors of the association.¹⁷⁴ The donation must be reflected in the financial reports and annual budgets of the association.¹⁷⁵ Branches of foreign association registered in Palestine are not allowed to collect donations from any person or entity inside the country.¹⁷⁶

As can be seen from the above, some of the requirements in the Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022 are in violation of Law No. 1 of 2000 on Charitable Associations and Community Organizations, which is higher in the legislative hierarchy. Also, some of the methods the Regulation includes are not used widely nowadays. This could be because they are considered 'old school' and, in practice, the amount of money collected through such methods have been limited, especially if compared with other methods such as crowdfunding and receiving grants.¹⁷⁷

170 Article 20(4), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

171 Article 20(4), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

172 Article 21(1), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

173 Article 22(2-3), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

174 Article 22(1), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

175 Article 22(2), Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

176 Article 23, Regulation Concerning Collection of Donations for Social and Charitable Purposes No. 26 of 2022.

177 Raseel Association is one of the associations which has permanent boxes in stores. It also organized and sold tickets of several social activities to collect donations to provide treatment sessions for kids with autism. However, although Raseel was successful in these activities and managed to cover over 500 treatment sessions, this cannot be the only way to collect donations because if these activities managed to cover some treatment sessions for kids, it cannot cover the core expenses of the association.

DIGITAL FUNDRAISING PRACTICES

Below is a list of local digital fundraising practices as well as information on their status in Palestine at the time of writing:

Digital Fundraising Method	Permitted or Banned?	Comments
Collection of donations through CSOs' websites (e.g., placing donate or support button)	Permitted	<p>There are no laws or regulations that restrict placing a donate/support button on CSOs' websites. Thus, this is allowed. There is only one payment gateway that CSOs can use to set up an online donation page, that is Bank of Palestine (BoP) E-commerce Platform. To set up an online donation page using BoP's payment gateway, CSOs must meet the following conditions:</p> <ul style="list-style-type: none"> • The CSO must have a BoP bank account. • The CSO must have a website that meets BoP e-commerce criteria.¹⁷⁸ • An association registered at the Ministry of Interior must provide registration documents, and an official letter from the Ministry of Interior allowing it to gain access to the online payment services. A NPC, registered under the Ministry of National Economy, no letter is needed, only the registration documents. <p>It is worth mentioning that BoP's payment gateway is still new, and lacks important features like recurring</p>

¹⁷⁸ The criteria can be accessed [here](#).

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>payments/donations. Also, BoP does not actively promote the gateway for CSOs the way it does for-profit companies, likely because they see it riskier to allow charities to receive online donations.</p> <p>In practice, the majority of Palestinian CSOs do not maintain up-to-date websites, and it is not common for CSOs to have donate buttons on their website.</p>
Anonymous donations	Not expressly banned	<p>Law No. 1 of 2000 On Charitable Associations and Community Organizations does not expressly address the issue of anonymous donations.</p> <p>The Law allows for receiving any assistance from the public in any form, so long as it is unconditional.¹⁷⁹ Thus, CSOs can receive “assistance”, (e.g., financial assistance, in-kind donations, etc.).</p> <p>As they are not expressly prohibited, anonymous donations should be permitted. However, in practice, CSOs are not allowed to receive anonymous donations.</p>

¹⁷⁹ Article 32 of Law No. 1 of 2000 On Charitable Associations and Community Organizations states: “[i]n a manner not conflicting with the provisions of this law, Associations or Organizations may receive unconditional assistance to serve their work.”

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>Even where donations are kept anonymous from the public, they must be declared to relevant authorities through reporting requirement, as explained above. However, CSOs are not required to make their financial reports publicly available. In practice, CSOs are unlikely to publish their financial reports on their websites/online as there is a general concern if donors names are displayed, the donors might be targeted by Israeli lobbyists.</p> <p>Also, when depositing money in the account, CSOs, Associations and NPCs alike, need to obtain approval from the PMA, as explained above. This means that donors, whether legal or natural persons, will need to be revealed to the banks and the PMA.</p>
Cross-border digital fundraising	Permitted	There are no laws or regulations specifically addressing cross-border digital fundraising. However, the requirements detailed above, including receipt of funding, approvals before depositing funds in bank accounts, reporting requirements, and others, will apply for funds collected using this method.

Digital Fundraising Method	Permitted or Banned?	Comments
Use of intermediary service providers or aggregators of funds ¹⁸⁰ to process foreign donations	Partially permitted	<p>Palestinian CSOs have the option to use a fiscal sponsor in the U.S. or Europe who has access to ordinary payment processors, like Stripe and PayPal, to receive money on their behalf. The fiscal sponsor transfers money to the CSO in the form of a grant. Associations, registered under the Ministry of Interior, and NPCs, registered under Ministry of National Economy, have to obtain funding approval for the grants before they can deposit the money in their bank account. The application is made to the Ministry of Interior or the Ministry of National Economy, as the case may be. The relevant Ministry communicates its approval to the PMA which, in turn, communicates the approval of the amount and source to the relevant bank. Only then can the bank allow the receipt of payment.</p> <p>Fiscal sponsors are usually charities. No Palestinian CSO reported a for-profit business acting as an intermediary.</p>
Online debit or credit card payments	Partially permitted	Bank of Palestine and the Arab Bank are the only banks in Palestine that provide customers with credit and debit cards that pay online.

¹⁸⁰ For example: foreign CSOs, payroll companies, agents, other financial and non-financial business entities.

Digital Fundraising Method	Permitted or Banned?	Comments
		That said, the Arab Bank currently restricts online donations on the LaunchGood platform claiming that it is risky. This means that almost half of the card owners in Palestine, if not more, are unable to donate online to a Palestinian crowdfunding campaign on LaunchGood ¹⁸¹ .
Online payment systems	Permitted	This method is allowed in Palestine. A good example is Bank of Palestine's online payment gateway, albeit it is still evolving.
Online bank and wire transfers	Permitted	This method is permitted so long as the transfer satisfies the requirements discussed earlier.
Cash, e-wallet, or card transfer donations through banks' mobile applications or ATMs	Permitted	<p>Cash donations are allowed by virtue of Articles 32 and 33 of Law No. 1 of 2000 On Charitable Associations and Community Organizations and Article 50 of the Executive Regulation. However, CSOs must observe the conditions and limitations mentioned earlier (unconditional donations, reporting requirements, etc.).</p> <p>Card transfer donations and donations through banks' mobile applications are allowed. However, please refer to the limitations placed by the two major banks in Palestine, discussed above.</p>

¹⁸¹ Look also: Article 13 of Law by Decree No.9 of 2010 on banks which sets the allowed banking practices which includes

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>Donations through ATMs are not regulated. However, this is subject to the policies and procedures of each bank. There were several campaigns launched through banks which allowed for ATM donations, e.g., during COVID and at times of heightened humanitarian crisis.</p> <p>E-wallet donations are allowed but limitations regarding access to Bank of Palestine gateway must be observed. E-wallet donations are only allowed for domestic donations.</p>
Mobile (SMS) donations or mobile service operators facilitating SMS fundraising	Permitted	<p>SMS donations are usually offered through telecommunications companies, such as Jawwal and Ooredoo. Telecommunication companies usually offer SMS donations services to CSOs.</p> <p>To collect donations via SMS, an SMS with the request for donations is sent to all/pre-defined group of telecommunication companies' customers. The SMS includes instructions on how to donate. Recipients of the SMS should reply to the SMS to express consent to donate. The expressed donation amount is deducted from the customer's phone credit. At the end of the month, collected donations are transferred to the relevant CSO.</p>

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>To use this method, CSOs send their request for SMS donations campaigns to the telecommunication companies. The companies follow their internal procedures to review such requests and make decisions regarding them. Normally, the legal department at these companies is the responsible department for deciding on this type of requests. However, other departments may be involved as dictated by the internal policies and procedures of the requested company.</p> <p>For example, beside the role of the legal department, Jawwal involves two other departments in making decisions regarding this type of requests, namely the corporate support and the marketing departments.</p> <p>Moreover, in practice, Jawwal usually coordinates with the Ministry of Telecommunications and Information Technology. It provides approval on SMS donations collection requests after the Ministry greenlights these requests, in hope to avoid any possible future issues, e.g., issues with transferring the collected funds to the CSO's bankaccount.¹⁸²</p>

182 Just to have better understanding, anything applicable for Jawwal in this regard shall be also applicable for Oredoo. We interviewed Jawwal's team because they are kind of the dominant and the older telecom company, however, the process should be similar.

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>Once the request is approved, the relevant CSO will need to pay the fees for this service. The fees depend on the number of messages the CSO wants to send out. Usually, telecommunication companies offer special packages for companies, CSOs, etc. Sometimes, the telecommunication companies may decide to reduce the fees knowing that CSOs' campaigns aim to advance not-for-profit purposes.</p> <p>CSOs collecting donations using this method are provided with a statement for tax deduction.</p>
Crowdfunding on local or international platforms	Partially permitted	<p>There are no local crowdfunding platforms. There is only one international platform that operates in Palestine: LaunchGood.</p> <p>Only the West Bank and Jerusalem CSOs have access to LaunchGood's crowdfunding services.</p> <p>LaunchGood allows two main types of funding as follows:</p> <ol style="list-style-type: none"> 1. Partial funding where organizations are allowed to keep funds they raise, even if they are less than their target amount.

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>2. All-or-nothing funding where organizations can only keep the funds if their target amount is met or is surpassed. If the target is not met, no funds will be transferred to the organization and donors' credit cards will not be charged.</p> <p>To launch a crowdfunding campaign on LaunchGood, a CSO must meet LaunchGood's criteria. LaunchGood runs its own internal compliance on Palestinian CSOs. LaunchGood's minimum acceptance conditions are:</p> <ul style="list-style-type: none"> • Bank statement. • Incorporation document. • Organization chart. • ID of two key controllers. • Website link. • Strong social media handles. • International affiliation or partnership (optional). <p>Another condition that LaunchGood does not announce publicly is that the CSO must not be "too political". The platform checks CSO's website and social media accounts to make sure they do not include certain keywords. This is the platform's means of confirming that the CSO is not supporting any terrorism act according to the US terrorism lists.</p>

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>LaunchGood has the power to reject the campaigns of CSOs that do not meet the above criteria. Alternatively, LaunchGood may request an additional compliance fee (around \$1,500, to be paid upfront) to LaunchGood to perform a further check on an organization that does not meet the platform's criteria.</p> <p>Following confirmation of satisfying the required criteria, the CSO may choose to receive a technical training from BuildPalestine, a non-profit company, to help it build and advertise its campaign. BuildPalestine has an informal agreement with LaunchGood to provide such trainings. BuildPalestine also has experience with this platform, and thus can be seen as a local vetting party for LaunchGood. BuildPalestine can help CSOs save on the additional fees that they will be required to pay if they are found not to have met the criteria of LaunchGood.</p> <p>It is worth noting that LaunchGood does not transfer money to the Gaza Strip. Thus, CSOs that are registered in Gaza and have a bank account in Gaza cannot directly run a crowdfunding campaign on Launchgood.</p>

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>However, they could run crowdfunding campaigns through international partners who are registered in Europe, Canada, and the U.S. and have a way to safely transfer money to Gaza. CSOs in Gaza are therefore able to receive the donations in the form of grants instead.</p> <p>LaunchGood's regulations state that they do not charge platform fees. Rather, they rely on contributions given by donors.¹⁸³ However, there is a credit card processing fee of 2.9% + 30 cents/transaction.¹⁸⁴</p> <p>LaunchGood does not impose restrictions on the period of crowdfunding campaigns. They also allow extending the period of the campaign through their website.¹⁸⁵</p> <p>CSOs are not required to report to LaunchGood on how they utilized the collected amount. However, CSOs are required to report to the relevant Palestinian authorities on an annual basis pursuant to Article 13 of Law No. 1 of 2000 On Charitable Associations and Community Organizations, as emphasized in Article of the Decision of the Council of Ministers No.9 of 2003</p>

183 Check: [Link](#).

184 [Link](#).

185 For example, Raseel Association's ongoing campaign via LaunchGood was extended easily through LaunchGood's website.

Digital Fundraising Method	Permitted or Banned?	Comments
		<p>concerning Law No. 1 of 2000 On Charitable Associations and Community Organizations.¹⁸⁶</p> <p>Similarly, non-profit companies (NPCs) are required to submit annual financial and administrative reports to the Ministry of National Economy.</p> <p>In practice, CSOs which do not have a strong network or staff capable of advertising their campaigns widely are likely to face difficulties reaching their goal. Per BuildPalestine's observations after having supported may organizations in launching and managing crowdfunding campaigns, small organizations with limited knowledge of digital fundraising and with weak networks managed to raise around 30% or less of their goal.</p>
Donations in cryptocurrencies	Banned	In 2017, the PMA issued a statement calling the public not to deal with cryptocurrencies, especially Bitcoin. The PMA stated that all cryptocurrency transactions are unauthorized. ¹⁸⁷

¹⁸⁶ Article 13 states: *"The Association or Organization will submit, at a date not exceeding 4 months as of the end of the fiscal 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 elapsed year.*
2. *A financial report signed by a licensed auditor, a containing a detailed revenue and expenditure account of the Association's or Organization's finances."*

¹⁸⁷ Check: [Link](#), check also: [Link](#).

Digital Fundraising Method	Permitted or Banned?	Comments
		In August 2022, Law by Decree No. 41 of 2022 concerning National Payments was issued. Article 14 of the Decree prohibits any person or entity from trading in virtual assets or acting as a provider of virtual asset services in Palestine. Article 1 defines “virtual assets” as: “[a] digital representation of the value or rights that can be traded, transferred, or stored electronically, and can be used for payment or investment purposes. Virtual assets do not include the digital representation of official currencies, securities and other financial assets.” ¹⁸⁸
Donations through social media platforms	Not permitted	None of the social media platforms, including Facebook and Instagram, allow donations in Palestine. ¹⁸⁹
Fundraising through artificial intelligence and machine learning techniques	Not expressly banned	This method is not explicitly prohibited. However, it is not commonly used by Palestinian CSOs

¹⁸⁸ [Link](#).

¹⁸⁹ For more check: Is fundraising on Facebook available in my country? Last visited on 19 Sep 2022, available through: [Link](#). Check also: How can my nonprofit raise money on Instagram? Last visited on 10 Sep 2022, available through: [Link](#).