

Fundraising dos and don'ts in Dubai

The legal system in the United Arab Emirates (“UAE”) is based on the civil law system, with Islamic Shari’ah law serving as the primary source of legislation. While the Ministry of Social Affairs regulates philanthropic organizations at the federal level, such organizations are in most cases also subject to emirate-level regulation. The emirate of Dubai has the most robust regulations, which govern organizations operating in Dubai and its free trade zones. Governmental authorities that may issue licenses to philanthropic organizations operating in Dubai include the Islamic Affairs and Charitable Activities Department (IACAD), the IHC Authority, the DIFC Authority, and the Community Development Authority (CDA). All philanthropic organizations seeking to fundraise or engage in fundraising-related communications in Dubai must obtain approval from IACAD. The IHC Authority governs the IHC and issues licenses to philanthropic organizations operating in the IHC. Philanthropic organizations wishing to operate in the DIFC must register with the DIFC Authority. The CDA regulates and monitors the activities and quality of services offered by nonprofit social clubs and associations organizing social, cultural, artistic, and entertainment activities in Dubai and now more recently has been given the responsibility for the management of NGOs.

Law No. 5 of 2018 Regulating Volunteering Activity in Dubai (the “Volunteering Law”) provides that each volunteer must obtain a relevant “permit” from the Dubai Community Development Authority (“CDA”). All volunteering activities must be carried out by or in collaboration with a government authority or private entity (including NGOs) licensed to practice voluntary activities in Dubai.

To learn more about philanthropy law in the United Arab Emirates and elsewhere, please see our philanthropy law page: <http://bit.ly/PhilanthropyLawReports>

PRIVATE CHARITABLE SOCIETIES IN DUBAI (ONSHORE DUBAI)



DO

Make sure all founders are UAE nationals

Collect donations using the following practices:

- Campaigns for charitable activities and collection of donations;
- Advertisement; and
- Sponsorship

Provide to the IACAD information regarding the society’s organizational affairs and local or external activities

Obtain the appropriate license to be able to practice both religious and charitable activities

Cooperate with regional and international parties (in order to perform objectives) provided that IACAD approval is obtained



DON'T

Collect donations for financing activities without approval from the IACAD

Have any director or any employee dispose of funds unless it is within the limit of achieving the objectives of the society and as per the provisions of the IACAD regulations

Perform any activities that:

- Promote political activities or adoption of certain political attitudes (or support political movements); or
- Instigate sectarian, racial or partisan or intellectual or ideological differences

Perform any commercial business (except the investment of endowments put under disposal)

NON-GOVERNMENTAL ORGANIZATIONS (ONSHORE DUBAI)



DO

Practice activities in social, health, educational, cultural, scientific, educational, professional, creative, technical, humanitarian areas and any other areas seeking public benefit

Obtain a license from the CDA

Conduct fundraising activities after obtaining approval from the CDA and IACAD.

- Approval with CDA: Procedures for obtaining approval not specified in law.
- Approval with IACAD: An application authorizing a fundraising must be submitted (along with supported data and documents). The IACAD should issue a decision within 15 days of the submission provided that all required info/documents are complete

Have financial resources consisting of: (1) Members' subscriptions, (2) revenue from activities, services and investments the NGO is licensed to practice; or (3) donations, grants, gifts and wills received and approved by the CDA



DON'T

Establish a branch in Dubai without prior written approval from the CDA

Trade or enter financial speculations or distribute any revenues or returns to the members, the board, or employees

Practice any commercial activity without obtaining prior approval from the CDA

Open any branches outside the UAE

NONPROFIT ORGANIZATIONS (INTERNATIONAL HUMANITARIAN CITY)



DO

Pursue objectives in relation to the humanitarian and/or emergency relief fields

Hold a license with and have a lease with a property within the IHC

Conduct fundraising activities after obtaining approval from the IHC and IACAD:

- Approval with IHC: Notifications for approval with the IHC must be submitted at least three months in advance
- Approval with IACAD: An application for authorization to fundraise must be submitted (along with supported data and documents) and the decision of the IACAD should be issued within 15-days from the submission



DON'T

Carry on business outside the IHC without obtaining a license by the Dubai or other relevant UAE government body

Announce any fundraising or awareness campaigns (through any communications tools) without obtain approval from the IHC

Open a branch outside the IHC until approval from the IHC or the Dubai or other UAE government body is obtained

NONPROFIT INCORPORATED ORGANIZATIONS (DUBAI INTERNATIONAL FINANCIAL CENTRE)



DO

Have a minimum of three founding members

Carry on activities in the DIFC

Have a registered office in the DIFC

Conduct fundraising activities after obtaining approval from the IACAD. An application for authorization to fundraise must be submitted (along with supporting data and documents). The IACAD should issue a decision within 15 days of the submission provided that all required information/documents are complete

Have financial resources consisting of:

- Fees collected for services provided to the members; and
- Grants and donations received and accepted by the board



DON'T

Carry out any activities other than those authorized to by the DIFC

Carry out any activities which are contrary to the UAE's public interest and public morals

Carry on any activities for the purposes of commercial or financial gain of the members

Have a non-UAE resident be a founding member