

LAW NO. \_\_\_\_\_ OF \_\_\_\_\_

**PREAMBLE TO THE LAW OF  
ASSOCIATIONS AND FOUNDATIONS**

**In the name of people,**

***The President of the Republic,***

The Parliament has approved the following law, and we now issue it:

**ARTICLE (1):**

Associations, foundations and federations established by virtue of Law No. 84 of 2002, whose Articles of Association contradict the provisions of the following law, shall rectify and amend their bylaws pursuant to this law within one year of its effectiveness.

**ARTICLE (2):**

Existing Boards of Directors of associations, foundations and federations established pursuant to the provisions of Law No. 84 of 2002, and their executive and administrative bodies, shall continue to operate until reformed according to the following law.

**ARTICLE (3):**

It is prohibited for any private entity to practice any of the activities of associations and foundations without taking the form of associations or foundations pursuant to the provisions of the following law. The Minister of Social Solidarity, or his assignee, may issue a resolution suspending this activity and taking necessary actions against this entity pursuant to the following law.

Any authority, other than the authority permitted by the following law, may not under any form or title license the practicing of any activity of the activities of associations and foundations. Such a license shall be void and invalid as of its issuance and may not bear any implications.

**ARTICLE (4):**

The Minister of Social Solidarity shall issue the Executive Regulation of the following law within six months as of the date of its effectiveness. Until the issuance of such regulation, the current regulation and resolutions may continue to be effective excluding any contradictions with the provisions of the following law.

**ARTICLE (5):**

The Law of Associations and Foundations No. 84 of 2002 is hereby abolished as well as any provision that contradicts with the provisions of the following law.

**ARTICLE (6):**

This law shall be published in the Official Gazette and is applicable as of the next day of publishing.

This law shall be stamped by the seal of the state and implemented like all other laws.

Issued at the Presidency of the Republic on \_\_\_\_\_.

*Hosni Mubarak*

# THE LAW ON ASSOCIATIONS AND FOUNDATIONS

## CHAPTER ONE GENERAL PROVISIONS

### ARTICLE (1):

The following meanings apply to the implementation of this law:

1. **Association:** A group of a continuous legal formation composed of natural or legal persons, or both, whose number in all cases is not less than 20, created for not-for-profit purposes.
2. **Public Benefit Association:** an association that aims at realizing public benefit upon or after its establishment and whose activity is for serving the public. Public benefit status shall be granted by a resolution from the Council of Ministers.
3. **Central Association:** an association whose declaration is endorsed, according to the provisions of this law, by a decision from the Competent Minister, having one branch or more in more than one governorate. The Executive Regulation of this law shall define any other criteria for central associations.
4. **Foundation:** A legal entity established by the allocation by one or more natural or legal persons, or both, of an amount not less than one hundred thousand pounds established for not-for-profit purposes.
5. **Foreign Organization:** a foreign legal person, whose main office is located in Egypt or outside, licensed to perform one or more activities of associations and foundations subject to the provisions of this law and its rules and according to an agreement concluded between the organization and the Ministry of Foreign Affairs.
6. **Regional Federation:** a federation established by at least 10 associations or foundations or both located in one governorate, regardless of the activity, and having a legal personality.
7. **Specialized Federation:** a central federation established by at least 10 associations or foundations, or both, who perform common activities in specific fields at the level of the republic, having legal personality and located in Cairo.
8. **General Federation of Associations and Foundations:** a general federation established from elected members of regional and specialized federations' Boards.

This federation shall supervise the activities of associations, foundations, organizations, and regional and specialized federations pursuant to the provisions of this law. The federation shall enjoy legal personality and its headquarters shall be in Cairo.

9. **Founding Member:** a natural or a legal person who participates in the formation of an association or foundation and signs its Articles of Association.
10. **Competent Court:** The administrative court having jurisdiction over the management of an association, foundation, organization or federation established by virtue of this law.
11. **Competent Minister:** The Minister of Social Solidarity.
12. **Administrative Body:** The Ministry of Social Solidarity or any of its departments.

**ARTICLE (2):**

Associations established by a law or pursuant to international conventions concluded by the Arab Republic of Egypt shall be subject to the Articles of Associations as specified in these agreements. For any issue not specifically contained in those agreements, the provisions of this law shall apply.

**CHAPTER TWO:  
ASSOCIATIONS**

**Section One: Establishment of Associations**

**ARTICLE (3):**

It is a required condition for the formation of an association to have written Articles of Association signed by its founders. An independent and appropriate management center in the Arab Republic of Egypt shall be secured. It is mandatory for members of associations to enjoy full civil rights and with no previous convictions of a crime or offense that breaches honor or honesty, unless acquitted.

It is permitted for non-Egyptians having permanent or temporary residence in Egypt to join membership of any association following the rules contained in the Executive Regulation of this law.

It is permitted for any foreign community to establish an association observing the affairs of its members pursuant to the provisions of this law and with the condition of reciprocal treatment for the Egyptian community in that relevant country.

#### **ARTICLE (4)**

Articles of Association of any association shall contain the following data:

- a. The name of the association, which should indicate its purposes, and not create any confusion with any other association within the same geographic scope.
- b. Type, scope and activities of the association and its geographic scope.
- c. Address of the association management center.
- d. Name, surname, age, nationality, profession and residence of each founder.
- e. Resources of the association, their utilization and disbursement.
- f. Bodies that represent the association, the competencies of each, the method of members selection, dismissal or invalidation of membership as well as the quorum for the meetings of these bodies, the validity of their decisions and the means of invitations for informing members.
- g. Membership system, conditions, rights and duties of members; especially the right of every member to review the document of the association, attending and voting in the General Assembly.
- h. Financial control system.
- i. Rules for amending the Articles of Association of the association, establishing its branches, the cases for its termination and entities that shall benefit from its funds in these cases. It is impermissible to have the Articles of Association of any organization providing that the funds of the association shall inure to anybody except the Associations and Foundations Support Fund or any national association or foundation working in the same field of the association or to any of the federations subject to the provisions of this law.
- j. Identify the competent person for applying to public benefit status.
- k. Identify the representative of founders for foundation procedures.

The Executive Regulation of this law shall contain model Articles of Association that associations may follow.

**ARTICLE (5):**

The application of registration of the Articles of Association shall be written on the standard format and be presented to the Regional Federation established pursuant to this law by the representative of founders enclosed with the following documents:

1. Four copies of the Articles of Association of the association signed by all founders.
2. Acknowledgment for each founding member undertaking to fulfill conditions stipulated in Article (3) and data contained in item (d) of Article (4) hereunder.
3. An official certified document confirming the occupancy of the association's premises.

The Regional Federation, after verifying the completeness of these documents, shall evidence the date of application submission on a copy given to the applicant along with entering the application in a special register. Then, the Regional Federation shall notify the Administrative Body within two weeks to obtain its approval.

The applicant shall pay a fee of one hundred pounds for the entry of the Articles of Association in the Administrative Body register. These fees shall go to the Associations and Foundations Support Fund. The Executive Regulation of this law shall define the procedures for the application along with providing the application format.

**ARTICLE (6):**

The Administrative Body shall enter the Articles of Association in the special register within 30 days of being notified of the completed application along with necessary documents mentioned in the previous Article; otherwise, the entry shall be valid by virtue of the law.

The legal personality of the association is affirmed by making such entry or the elapsing of 30 days from the date of notification to the Administrative Body of the application, whichever first.

If the Administrative Body finds, within the 30 day period, that the purposes of the association contain an activity prohibited by this law, it shall reject the application by a

justified decision to be notified to the Regional Federation and the founders representative by a registered letter with receipt confirmation.

The founders' representative may challenge this decision before the competent court within sixty days of being notified following prescribed procedures.

Upon affirmation of the legal personality of the association, the Administrative Body shall notify the Regional Federation and take necessary actions to publish the summarized Articles of Association in the official website of the Ministry of Social Solidarity within sixty days of the affirmation of the legal personality of the association.

The association, upon affirmation of its legal personality, has the right to publish its summary Articles of Association in Egyptian newspapers.

**ARTICLE (7):**

Any concerned person may review the summary entry of the Articles of Association of any association and obtaining certified copies thereof after paying due fees as defined in the Executive Regulation of this law (no less than twenty pounds). These fees shall go for the Associations and Foundations Support Fund.

**ARTICLE (8):**

Procedures followed for the amendment of Articles of Association shall be the same as for the establishment of the association as stipulated in Articles 4 and 5 hereunder.

**Section Two**

**Purposes, rights and obligations of associations**

**ARTICLE (9):**

Associations shall work to achieve their purposes in social care, development and awareness-raising of communities. The Executive Regulation of this law shall define different fields of these activities. No association is allowed to work in more than two fields except after approval of the Regional Federation and notifying the Administrative Body.

Establishment of secret associations is prohibited. It is also prohibited that purposes of any association contain the following:

1. Formation of brigades or formations of military nature.
2. Threatening the national unity, violating public order or ethics or calling for discrimination between citizens on the basis of sex, race, color, language, religion or belief.
3. Any political activities limited to political parties pursuant to the *Law on Political Parties* or any syndicate activities limited to syndicates pursuant to the *Law on Syndicates*.
4. Targeting the realization of any profit for members of the association or performing any activities leading to this result. Following commercial practices to realize profits assisting in the purposes of the association may not be considered as a violating activity. The Executive Regulation shall define these controls.

**ARTICLE (10):**

It is permitted to second civil service employees to work in associations and provide necessary assistance to fulfill their missions based on requests from associations. Secondment for one renewable year shall be decided by the Competent Minister or governor as the case may be.

**ARTICLE (11):**

Without prejudice to any other privileges provided in other laws, associations, foundations and federations established pursuant to the provision of this law shall enjoy the following benefits:

- a. Exemption from registration and entry fees due on the association with regards to all contracts where the association is party to such as property and mortgage contracts or any other in-kind rights, as well as exemption from signature endorsement fees.
- b. Exemption from current taxes and stamp duties and those imposed in the future on all contracts, agencies, documents, printed materials, registers, etc.
- c. Exemption from custom charges and other fees imposed on the imports of equipment, machines, instruments, tools and production needs as well as on any



received gifts, grants and assistance from abroad. The exemption should be via a resolution from the Prime Minister based on a proposal from the Competent Minister and the approval of the Minister of Finance. It is required that these materials are necessary for the basic activities of the association. The permanent assets thereof, defined by a decision from the Competent Minister in agreement with the Minister of Finance, shall not be disposed except after five years of their importation unless due taxes and custom charges thereon are paid.

- d. Exemptions for properties owned by the association from real estate tax. The association, upon exercising its right in owning properties for fulfillment of its purposes, shall observe laws governing the ownership of foreigners of properties.
- e. Exemption of small and medium enterprises carried by associations from all forms of taxes.
- f. Associations are granted 25% reduction from the transportation fees of machines and equipment on railways.
- g. Telephone calls and subscriptions fees applicable to houses shall apply to associations.
- h. Associations are granted a 25% reduction from the costs of water, electricity and natural gas consumption.
- i. Donations granted to associations are offset against the income of the donor of no more than 10% of the net profits.
- j. Procurements of associations of transportation means and all equipment necessary for their purposes shall be exempted from general sales tax.

**ARTICLE (12):**

An association may perform any activities not contradicting with its purposes in cooperation with any foreign association, agency or organization provided the Administrative Body is notified and 30 days pass from the notification date with no written objection from the Administrative Body. The Executive Regulation shall define controls for such cooperation and the contents of the notification of data and information.

**ARTICLE (13);**

An association may receive funds from inside the Republic from natural persons, Egyptians or foreigners, and from Egyptian legal persons and foreign organizations licensed to practice

the activities of associations pursuant to the provisions of this law, regardless of the nature of these funds, to enhance its financial resources for fulfilling its purposes.

In all cases, no association is permitted to obtain funds from outside the Republic, neither from Egyptian or foreign persons or entities or their representatives inside the country, nor send funds to persons or organizations abroad except after obtaining permission from the Competent Minister or after the elapse of 30 days from notification with no written objection from the Competent Minister. This is with the exception of purchasing books, scientific and technical bulletins and journals and subscription fees.

The Executive Regulation shall define the procedures for obtaining such permission and its requirements in terms of data and information.

**ARTICLE (14):**

An association, for the purpose of meeting its purposes and enhancing its financial resources, may collect donations, as licensed by the Administrative Body. The Executive Regulation of this law shall define procedures and conditions for such license to collect donations. These conditions may be defined on case-by-case basis as required for the public interest.

**ARTICLE (16):**

Every member of the association has the right to review the records of the association, its documents and instruments. If this right is not granted, the Regional Federation may intervene to enable members of the association to implement this right based on a request signed by no less than 10% of the members.

Representatives of the Administrative Body, nominated via a decision from the Competent Minister, may enter to the association premises or its branches to monitor its activities and review its records to ensure that they are compliant with the provisions of this law and procedures defined by the Executive Regulation of this law.

**ARTICLE (17):**

Every association shall have an annual balance sheet. Accounts should be recorded in books approved by the chairman and the cashier defining in details its financial position, expenditures and revenues including donations and their sources.

If the total assets in the association balance sheet exceed twenty thousand pounds, the Board of Directors shall present its financial position and final accounts to a licensed chartered accountant supported by documents prepared following standard accounting procedures for examination and submission of a report no less than one month before the convening of the General Assembly.

The Board of Directors report, auditor's report, balance sheet, and final accounts shall be displayed in the association's premises no less than two weeks before the convention of the General Assembly and shall remain displayed until endorsed. The Executive Regulation of this law shall determine the way of displaying these reports.

The Competent Minister shall issue a resolution defining the standard accounting system to be followed by associations, foundations, organizations and federations established pursuant to the provisions of this law.

**ARTICLE (18):**

The association shall deposit with any bank or saving fund in Egypt its cash assets under its registered name or under the name of any of its activities or projects. Disbursement from these assets shall be only done by the chairman, or his assignee, and the treasurer based on a resolution from the Board of Directors. The association shall notify the Regional Federation and the Administrative Body of the names of those authorized to sign.

The association shall disburse its funds for fulfilling its purposes and may invest the surplus of its revenues in a way to ensure securing financial resources to support its activities or reusing the funds in productive or service projects to strengthen its financial position.

In all cases, associations are not allowed to engage in financial speculations.

The Executive Regulation of this law shall define conditions and controls for the investment of the association funds.

**ARTICLE (19):**

In cases where the association issues a decision considered by the Administrative Body as violating this law or the Articles of Association, the Administrative Body may request the association, via a registered letter with receipt confirmation, to withdraw the decision within ten days of being notified pursuant to paragraph 3 of Article 2 hereunder. If the association does not withdraw the decision in question within fifteen days as of being notified, the Administrative Body may take necessary actions to prevent the implementation of the decisions pursuant to provisions of this law and its Executive Regulation.

**ARTICLE (20):**

Every member has the right to withdraw from the association at any time provided that the association is notified by a receipt-acknowledged letter. This may not prejudice the right of the association to claim for any due funds on the member or in his custody.

The Executive Regulation of the law shall define the procedures and rules for withdrawal from membership of an association.

**Section Three: Bodies of the Association**

**General Assembly**

**ARTICLE (21):**

The General Assembly shall be composed of operating members who spent no less than three months in membership and fulfilled all their obligations pursuant to the Articles of Association of the association.

**ARTICLE (22):**

The General Assembly shall convene by an invitation sent to all its members having the right to attend according to the Articles of Association, informing them the venue, time and agenda of the meeting. This invitation shall be sent from:

- a. The Chairman, or a person authorized by half the number of the members of the Board of Directors.
- b. A person authorized by no less than 20% of the members having the right to attend the General Assembly meetings.
- c. The Administrative Body as deemed necessary.

**ARTICLE (23):**

Meetings of the General Assembly shall be held at the headquarters of the association and may be convened anywhere else as identified in the invitation enclosed with the agenda. Copies of the papers to be presented to the General Assembly shall be sent to the Administrative Body (if the latter is not the inviting party for the meeting) and to the Regional Federation no less than fifteen days before the meeting. The Federation may send a representative to attend this meeting and the Administrative Body may send a representative to the meeting it invited to.

The General Assembly may not consider issues other than those contained in the agenda except issues presented to the Board of Directors at least two weeks before the convention of the General Assembly.

The Regional Federation and the Administrative Body shall be provided with copy of the General Assembly minutes of meeting within thirty days of the date of the meeting.

**ARTICLE (24):**

The General Assembly shall call for an ordinary meeting at least once a year within four months following the end of the fiscal year of the association. The purpose of the meeting shall be to review the Board of Directors' report on the activities of the year, the balance sheet, final accounts and auditor's report, to elect members of the Board to replace those whose terms expired, to appoint an auditor and set his/her charges and for any other issues as proposed by the Board of Directors for inclusion in the agenda. The General Assembly may be called for an ordinary meeting as deemed necessary.

**ARTICLE (25):**

The General Assembly may be invited to extraordinary meetings to decide on amending the Articles of Association, resolving or merging the association, dismissal of all or some of its Board members or any other issues as defined in the Articles of Association for extraordinary meetings.

**ARTICLE (26):**

General Assembly meetings are valid if attended by the absolute majority of its members. If the necessary number for this majority is not present, the meeting shall be postponed to a further session to be held in no less than one hour and no more than fifteen days as of the date of the first meeting according to the Articles of Association. The second meeting shall be valid if attended by no less than ten percent of the members or twenty members whichever is less, so the number of attendees in the first case shall not be less than ten members.

**ARTICLE (27):**

Members of the General Assembly may not participate in voting if having personal interest in the proposed decision except for the election of the association bodies.

**ARTICLE (28):**

Decisions of the ordinary General Assembly shall be passed by the absolute majority of present members.

Decisions of the extraordinary General Assembly shall be passed by the absolute majority of members unless the Articles of Association provide for larger majority.

**Board of Directors**

**ARTICLE (29):**

Each association shall have a Board of Directors composed of an odd number of members not less than five and not more than fifteen pursuant to the Articles of Association. Members shall be elected by the General Assembly for a term of three years. The first Board of Directors shall be appointed by the founders for a term not exceeding three years.

The Executive Regulation of this law shall define other conditions to be met by those nominating themselves for membership of the Board of Directors.

**ARTICLE (30):**

The Board of Directors shall display the name of candidates for membership of the Board of Directors in the second day following the closure of the nomination period. The Regional Federation and the Administrative Body shall be notified within the three following days but sixty days at least before the elections date.

The Regional Federation, the Administrative Body and whoever is concerned may notify the General Assembly within seven days following the display or notification of the list, as the case may be, by any objections on members not meeting the conditions. If the concerned candidate does not withdraw nomination within seven days of the notification to the General Assembly, and it is proven to the Administrative Body that this candidate is not meeting nomination conditions, the Administrative Body must issue a decision removing this person. The removed person, or whoever is concerned, may submit a claim before a competent court within seven days following the issuance of this decision. The court shall decide in the case before the date of the elections.

**ARTICLE (31):**

It is prohibited to combine between membership of the Board of Directors of the association and working in the Administrative Body or other public entities supervising, guiding or monitoring the association and its funding. This prohibition does not apply to associations whose membership is limited to those working in any of the aforementioned entities.

It is also prohibited to combine between membership of any Board of Directors in an association and paid work in the association or any of its activities or project except by a resolution from the Prime Minister or his assignee for the public interest.

**ARTICLE (32):**

The Board of Directors of an association shall manage its affairs. The Executive Regulation of this law shall define the competencies of the chairman, the deputy chairman, the cashier

and the secretary general of the association. The chairman is the person representing it before the judiciary and third parties.

The Board of Directors, for the management of the association's affairs, may conduct any works other than the activities indicated in this law or the Articles of Association as activities requiring the prior approval of the General Assembly.

The Board of Directors may appoint a general manager for the association, who may not be a member of the Board. The appointment decision shall define competencies of the manager and his/her remuneration.

**ARTICLE (33):**

The Board of Directors shall meet at least once every three months. The meeting will not be valid unless attended by the majority of members.

Members of the Board shall attend its meetings. In case a member is absent for more than half the meetings convened by the Board in one year's time, the member is considered as has resigned and shall be notified by this via a registered letter with receipt acknowledged.

Decisions of the Board of Directors shall be passed by the consent of the absolute majority of present members unless the Articles of Association provide for a larger majority. If votes are equal, the chairman shall have a casting vote.

The Board of Directors shall notify the Regional Federation and the Administrative Body by decisions passed by it or the General Assembly within thirty days of issuance.

**Section Four: Dissolution of Associations**

**ARTICLE (34):**

An association may be dissolved by decision of the Extraordinary General Assembly following the approved rules in its Articles of Association. The dissolution shall be approved by a resolution from the Competent Minister appointing one or more liquidators from the



liquidators' list prepared by the Administrative Body. The resolution shall define period of liquidation and liquidator's fees.

**ARTICLE (35):**

The Administrative Body may issue a resolution repealing any violating act, removing the cause of violation or suspending the violating activity after hearing the arguments of the General Assembly and approval of the General Federation in the following cases:

1. If the association disburses or allocates its funds for purposes other than its original purposes.
2. If the association receives funds from an external entity or sends funds to an external entity in violation to the provisions of paragraph 2 of Article 13 hereunder.
3. If the association commits a serious violation to the law such as deficit in custodies, embezzlement, wasting of public funds or breaching public order or ethics.
4. If the association joins, subscribes or affiliates to a club, association, authority or organization whose location is outside the Arab Republic of Egypt in violation to provisions of Article (12) hereunder.
5. If it is proven that the real objectives of the association are to target or to exercise any prohibited activity in Article 10 hereunder.
6. If the association collects donations in violation to provisions of paragraph 1 of Article 14 hereunder.
7. If the General Assembly does not convene for two consecutive years.
8. If the Administrative Body is not enabled of monitoring the works of the association or in case of moving to a new premises without notifying the Administrative Body.

In case the association continues to commit any of the violations indicated in the previous Article, the Administrative Body, after approval of the General Federation, may issue a decision removing the Board of Directors and appointing a temporary Board running the affairs of the association until its General Assembly is invited to elect a new Board of Directors pursuant to the provisions of this law within no more than ninety days of the date of the removal decision. The removed Board member, whose personal liability on violations is proven, may not nominate himself for these elections.

In all cases, if it is proven to the Administrative Body that the association is unable of fulfilling it purposes or continuing committing any of the aforementioned violations in the first paragraph, the Administrative Body, after approval of the General Federation, must suspend the activities of the association and refer the matter to administrative courts for dissolving the association and appointing a liquidator for its funds.

**ARTICLE (36):**

Managers of a dissolved association and its staff shall hand over the funds of the association and all its documents, records and papers to the liquidator as requested. These managers and staff, and the entity with whom monies of the association are deposited, and its debtors may not make any transactions in the affairs, funds or rights of the association except by a written order from the liquidator.

**ARTICLE (37):**

The liquidator, upon conclusion of the liquidation process, shall distribute its outcomes as stipulated in the Articles of Association. If the Articles of Association do not contain such provisions or if it becomes impossible to implement these provisions, the outcomes of the liquidation shall be given to the Associations and Foundations Support Fund as provided in Chapter Four hereunder.

The Executive Regulation shall define controls of the liquidation process, its term and procedures to be followed in case it is not possible to complete this process.

**ARTICLE (38):**

The first instance court, having jurisdiction in the area in which the association premises is located, shall decide in claims submitted by or against the liquidator.

**ARTICLE (39):**

Subject to provisions of Article 36 hereunder, it is impermissible for members of the dissolved association or any other person running its affairs to continue its activities or dispose its funds. It is also not allowed for any person to join membership of a dissolved association.

## **Section Five: Public Benefit Associations**

### **ARTICLE (40):**

Public benefit associations shall be subject to provisions governing other associations for any matter not specifically covered in this chapter.

### **ARTICLE (41):**

A central or non-central association willing to achieve a public interest upon or after its establishment may obtain public benefit status via a resolution from the Prime Minister based on a request from the association, the Administrative Body or the General Federation of Associations and Foundations, and the approval of its General Assembly in both cases.

Cancellation of the public benefit status shall be via a resolution from the Prime Minister.

Public benefit associations may join each other by approval from the Administrative Body and the General Federation of Associations and Foundations. Merger between public benefit associations and other associations not having public benefit status may be conducted only by a resolution from the Prime Minister.

### **ARTICLE (42):**

Through a resolution from the Prime Minister, privileges of public benefit associations shall be defined, especially the non-seizure of part of or all their funds, the non-acquisition of these monies, and the possibility of expropriation of properties for the public benefit to fulfill purposes of the association.

### **ARTICLE (43):**

The Administrative Body may assign to a public benefit association the management of an affiliated foundation or entity or implementing any of its projects or programs following the rules and procedures to be determined via a decision from the Competent Minister.

### **ARTICLE (44):**

Public benefit associations shall be subject to the control of the Central Auditing Organization, which may review the works of the association including projects assigned to it

to ensure the compliance with laws, internal regulations, the Articles of Association and the standard accounting system attached to the Executive Regulation of this law.

### **Section Six: Shelters**

#### **ARTICLE (45):**

No buildings shall be allocated for the hosting of children, elderly people, patients with chronic diseases and other needy people for social care and people of special needs, except after obtaining a permit from the Administrative Body. The Executive Regulation of this law shall define rules and procedures for granting such permit to an association or other parties.

The Administrative Body may cancel this permit if its conditions are violated. The Executive Regulation of this law shall define rules and procedures for the cancellation of such permit.

### **CHAPTER THREE**

#### **FOUNDATIONS**

#### **ARTICLE (46):**

Provisions applicable to associations shall apply to foundations for matters not specifically covered by this Chapter.

#### **ARTICLE (47):**

A foundation is established by allocating a sum of money in line with the purpose of its establishment and the size of envisaged activities but which is not less than one hundred thousand pounds upon establishment. Foundations may not target realizing financial gains for the benefit of any of its founders or trustees. In this respect, provisions of Article 9 hereunder shall be observed.

#### **ARTICLE (48):**

The establishment of a foundation may be made by one or more founders of natural or legal persons or both. Founders shall develop Articles of Association that contain in particular the following information:

- a. Name of the foundation, its geographical scope and its management location in the Arab Republic of Egypt.
- b. The purpose behind the establishment of the foundation.
- c. Detailed statement of funds allocated for the realization of the foundation purposes.
- d. Organization of the foundation management including the methods of appointing the chairman and members of the Board of trustees and the method for appointing the manager.

A foundation may be established by an official instrument or a declared bequest, each of which may be considered as Articles of Association for the foundation provided it contains the information mentioned in the previous Article.

The Executive Regulation of this law may be enclosed with model Articles of Association that may be followed by foundations.

**ARTICLE (49):**

Whenever the establishment of a foundation is via an official instrument, it is permissible for the founder(s) to abolish it by another official instrument before its entry. The entry of the foundation might also be cancelled if proven through a court order that its establishment is meant to damage the rights of third parties.

**ARTICLE (50):**

Representative of founders shall apply to the Regional Federation requesting entry of the foundation attaching with the request details shown in the application form attached to the Executive Regulation of this law. After verification of application completeness, the Regional Federation shall notify the Administrative Body for its approval. The legal personality of the foundation is affirmed as of the next day after entry of its Articles of Association or similar documents by the Administrative Body.

**ARTICLE (51):**

Every foundation shall have a Board of trustees composing of no less than five members and not exceeding fifteen members to be appointed by the founder or founders. Their chairman and members may be from those trustees.

The Regional Federation and the Administrative Body shall be notified by such appointment and any changes in the Board of trustees.

In case no Board of trustees is appointed or the vacancy of one or more positions in the Board and it is not possible to appoint their substitutes following the method indicated in the Articles of Association, the Administrative Body shall make such appointment and notifies the Regional Federation thereby.

The Board of trustees shall manage the foundation according to its Articles of Association and its chairman shall represent the foundation before judiciary and third parties.

**ARTICLE (52):**

Subject to the provisions of this law, a foundation may receive funds in the form of grants, endowments or other forms, or may collect donations from third parties after the approval of the Competent Minister and observing the conditions that might be set by the donor. Monies received or collected by the foundation shall be added to its establishment allocations.

**ARTICLE (53):**

The foundation shall have annual balance sheet and final accounts to be prepared following the standard accounting system issued by a decision from the Competent Minister.

**ARTICLE (54):**

A foundation may be dissolved by a justified decision from the Competent Minister after consent of the General Federation and inviting the foundation to hear its arguments if serious evidences exist proving that the foundation is practicing any of the prohibited activities in Article (9) hereunder.

The dissolution resolution shall include the appointment of one liquidator or more for defined remuneration.

In any of the aforementioned cases, the Competent Minister may deem it sufficient to issue an order cancelling any violating action, removing the cause of violation or dismissing the Board of trustees and appointing a temporary Board to run the affairs of the foundation for one renewable year, if necessary, or may suspend activities of the foundation.

Whoever concerned may appeal against decision of the Competent Minister before the administrative court following defined procedures and deadlines. The court shall decide on the appeal as an urgent matter with no charges. Members of the Board of trustees and founders are considered as concerned persons for the purposes of this appeal. Monies resulting from the liquidation of the foundation shall inure to the Associations and Foundations Support Fund.

#### **CHAPTER FOUR: FOREIGN ORGANIZATIONS**

##### **ARTICLE (55):**

The Competent Minister may license foreign organizations to perform one or more activities of the activities of associations and foundations subject to this law and its rules provided the consent of the Ministry of Foreign Affairs is granted. The Executive Regulation of this law shall define procedures for license application, the term of the license, data and information to be contained in the license application, documents to be attached thereto and rules for conducting licensed activities. The Administrative Body shall define rules for conducting the licensed activities for a foreign organization. In all cases, such activities shall be consistent with the needs of the Egyptian environment and observing public order and ethics.

##### **ARTICLE (56):**

A foreign organization licensed to work inside the Arab Republic of Egypt shall be subject to the control of the competent Administrative Body and shall present to this entity annual progress reports during the period of conducting its licensed activities.

In case the organization violates the rules for conducting licensed activities, the Competent Minister, in coordination with the Ministry of Foreign Affairs may issue a decision suspending the violating activity or cancelling the activity license. The Ministry of Foreign Affairs shall be notified by such decision within fifteen days as of the date of its issuance.

The Executive Regulation of this law shall define conditions under which licenses to foreign organizations are cancelled as well as the procedures to be followed and the disposal of its monies or equipment.

**CHAPTER FIVE:  
FEDERATIONS**

**Section One:  
Regional Federation**

**ARTICLE (57):**

Associations and foundations within every governorate, regardless of their activities, shall establish a Regional Federation among them. The Federation should have written Articles of Association, entered with the competent Administrative Body and shall have a legal personality. Model Articles of Association for Regional Federations shall be attached to the Executive Regulation of this law.

Each association or foundation falling under the provisions of this law, immediately after affirmation of its legal personality, shall join membership in the Regional Federation in its geographic scope. If the association is having more than one branch in more than one governorate, it shall join membership of the Regional Federation in the governorate where its headquarters is located.

If the association or foundation does not join membership of the Regional Federation within three months as of the affirmation of its legal personality, the Administrative Body shall issue a decision suspending the activities of the association until it joins membership of the Regional Federation.

**ARTICLE (58):**

The Regional Federation shall work at the level of the governorate. No more than one Regional Federation shall be established in any one governorate. Every association or foundation falling under provisions of this law shall submit annual progress reports to its Regional Federation indicating type and size of activities performed during the year, the



services it rendered to the people or to the development programs set by the state. The General Federation shall be provided with copies of these reports.

**ARTICLE (59):**

Each Regional Federation shall have a Board of Directors composing of fifteen members for a term of three years. Ten members shall be elected by the General Assembly of the Regional Federation from among its members and the Competent Minister, in coordination with the Chairman of the General Federation of Associations and Foundations, shall appoint the other five members.

**ARTICLE (60):**

The Regional Federation shall undertake the following tasks:

- a. Receiving complete applications for entry of associations and notifying the Administrative Body according to Article 5 hereunder.
- b. Implementing general policies formulated by the General Federation of Associations and Foundations and supervising the implementation of decisions issued in the annual conference.
- c. Conducting necessary social research inside the governorate and participating in general social research conducted by the General Federation.
- d. Studying the needs of the environment, its capacities and resources to ensure complementation of the efforts of different member associations and foundations in rendering their services.
- e. Studying funding problems of member associations and foundations and work to create appropriate solutions.
- f. Developing training and qualification plans and evaluate training programs related to activities implemented in the governorate.
- g. Establishing a complete database on member associations and foundations inside the governorate and work to update the database continuously.
- h. Holding an annual conference to evaluate accomplishments realized by member associations and foundations and to study and discuss issues referred there from.

**Section Two:**  
**Specialized Federations**

**ARTICLE (61):**

Associations and foundations conducting or funding joint activities in specific fields, either nationwide or at the level of any governorate, shall establish, among themselves, a central specialized federation for every activity separately. Such Federation shall have written Articles of Association registered with the General Federation and the competent Administrative Body, and shall have a legal personality. Model Articles of Association for a specialized federation shall be enclosed with the Executive Regulation of this law.

Each association or foundation falling under the provisions of this law may, immediately after affirmation of its legal personality, join membership of the specialized federation in its activity fields. The Executive Regulation of this law shall define the procedures for joining membership of this federation.

**ARTICLE (62):**

The Specialized Federation shall work nationwide. It is not allowed to establish more than one specialized federation for each field of the associations' work. The Regional Federation, in coordination with the central Specialized Federation may establish specialized subcommittees responsible for conducting the activities of the Specialized Federation within governorates.

**ARTICLE (63):**

Each Specialized Federation shall have a Board of Directors composing of fifteen members for a term of three years. Ten members shall be elected by the General Assembly of the Regional Federation from among its members and the Competent Minister, in coordination with the Chairman of the General Federation of Associations and Foundations, shall appoint the other five members.

**ARTICLE (64):**

The Specialized Federation shall undertake the following tasks:

- a. Plan the programs of social care and development in the domains related to the Federation purposes in line with the state policy.

- b. Establish a complete database on member associations and foundations and classify them according to their field of activity.
- c. Conduct research related to the fields of activity and circulate these research to member associations and foundations for making use of them and implementation.
- d. Monitor member associations and foundations to assess their application of research and studies related to the work field.
- e. Organize programs and coordinate efforts between associations, foundations and their staff. These programs shall be approved by the relevant Regional Federation before implementation.
- f. Develop a program for technical and administrative preparation of Board members of associations and foundations and their staff. These programs shall be approved by the Regional Federation before implementation.
- g. Circulate a guide including lists of enrolled associations in the federation's field of activity, related research and studies as well as local and international conferences related to their activities.
- h. Prepare for the holding of elections for the Federation's Board of Directors and notify the General Federation and the Administrative Body by results of these elections.

### **Section Three:**

#### **The General Federation of Associations and Foundations**

##### **ARTICLE (65):**

A General Federation for Associations and Foundations shall be established having legal personality and composing of regional and specialized federations. The headquarters of this Federation shall be in Cairo city.

Management of the General Federation shall be assumed by a Board of Directors composed of thirty members, ten of whom shall be appointed by the President of the Republic from those interested in social issues including the Chairman of the Federation, and the rest shall be elected from among members of Boards of Directors of Regional and Specialized Federations elected by a General Assembly that convenes upon the expiry of the Board term every three years. The Board of Directors shall develop the internal regulation of the

Federation, its management and organization of its works. The regulation shall be issued by a decision from the Competent Minister.

The General Federation of Associations and Foundations shall undertake the following tasks:

- a. Establish complete databases on all associations, foundations, organizations, and regional and specialized federations established pursuant to the provisions of this law.
- b. Develop a general concept for the role of associations and foundations in implementing development programs.
- c. Conduct necessary studies to secure needed funding for associations and foundations to develop their resources as well as communicating with internal and external entities to secure donations and support as well as advice on how to leverage financial capacities.
- d. Organize technical and administrative training and qualification programs for employees and members of associations and foundations in coordination with regional, specialized federations, associations and foundations.
- e. Document pioneer and successful experiences of associations and foundations along with promoting small and medium enterprises assisting in poverty alleviation and creating job opportunities.
- f. Cooperate with relevant local and foreign entities, and conclude protocols or agreements with these entities and other local entities concerned with social and development work in the fields of association and foundations work.
- g. Inform about the role of associations and foundations in enhancing civil activities and train volunteers to contribute in the activities of associations and foundations.
- h. Hold conferences and workshops to upgrade the capacities of associations, foundations, regional and specialized federations.
- i. Prepare an annual comprehensive report on the achievements of civil society organizations established under this law. The report shall include evaluation of their capacities and proposed solutions for encountered obstacles.
- j. Propose amendments to legislations regulating civil work and issue necessary resolutions to achieve flexibility in its management.

**ARTICLE (66):**

The General Federation shall hold an annual general conference gathering chairmen of regional and specialized federations, associations and foundations fulfilling their obligations towards their relevant federations.

The General Federation may invite to the conference any figures concerned with social issues to study matters referred to the conference from its technical committees or from regional or specialized federations.

**ARTICLE (67):**

The General Federation, Regional Federations, and Specialized federations shall be subject to the provisions applicable to associations for whatever matters not covered in this chapter.

**CHAPTER SIX**

**ASSOCIATIONS AND FOUNDATIONS SUPPORT FUND**

**ARTICLE (68):**

A fund shall be established at the Ministry of Social Solidarity to provide financial support for the sustainability of activities implemented by associations, foundations and federations established pursuant to provisions of this law.

**ARTICLE (69):**

The Associations and Foundations Support Fund shall have a Board of Directors chaired by the Competent Minister and the following members:

- Chairman of the General Federation of Associations and Foundations – Vice-Chairman.
- Chairman of a Regional Federation and a chairman of a specialized federation as nominated by the Board of Directors of the General Federation.
- Chairmen of two associations; one of them is a public benefit association and the second is a chairman of a foundation, to be nominated by the Board of Directors of the General Federation. It is required that any federation, association or foundation represented in the Fund should have remarkable activities with sound financial positions according to the auditor's report for three years preceding nomination.

Moreover, there should be no violation committed during the five years preceding nomination.

- Three public figures interested in social issues selected by the Competent Minister.

The term of the Fund Board of Directors shall be three years. It is permissible to reappoint a member for further term(s). A decision from the Competent Minister shall be issued forming the Fund Board of Directors, its working system and management.

**ARTICLE (70):**

The Board of Directors of Associations and Foundations Support Fund shall undertake the following tasks:

- a. Formulate the general policies to support activities and projects implemented by associations and foundations and set controls for the support of these activities and projects.
- b. Collect necessary financial data for the performance of the Fund's activities on financial positions of associations and foundations, the priorities for support of existing activities and projects as well as the current support of these activities and projects.
- c. Collect necessary financial data for the work of the Fund related to associations, foundations and federations established pursuant to provisions of this law and the expansion of their activities through the information center belonging to the General Federation and in coordination with the Administrative Body.
- d. Develop and disseminate an annual guide of associations, foundations, specialized and Regional Federations to enable citizens of contributing in them and participating in voluntary social work.
- e. Monitor and evaluate disbursements from the financial support allocated for associations and federations.
- f. Issue bulletins that enable internal and external donors of determining their contributions and ensuring the appropriate direction of these contributions.
- g. Take necessary actions to develop resources of the Fund.

**ARTICLE (71):**

Resources of the Fund shall be composed, in particular, of the following:

- a. Amounts allocated in the state budget for assisting associations and foundations established pursuant to the provisions of this law.
- b. Donations, assistance and grants received by the Fund.
- c. Monies inuring from the dissolution of associations and foundations.
- d. Additional fees imposed for charitable works.
- e. Fines imposed pursuant to provisions of this law.
- f. Any other resources approved by the Fund's Board of Directors.

## **CHAPTER SEVEN:**

### **PENALTIES**

#### **ARTICLE (72):**

Without prejudice to any more severe penalty stipulated in the penal code or any other law, the following crimes shall be punished as follows:

**First:** Imprisonment for no more than one year and a fine not exceeding ten thousand pounds or either of these penalties shall be imposed on whoever establishes an association whose purposes are proven to be to conduct prohibited activities contained in items 1 and 2 of Article 9 hereunder.

**Second:** Imprisonment for no more than six months and a fine not exceeding two thousand pounds or both of these penalties shall be imposed on whomever:

- a. Establishes, under any name or form (even under a legal form other than the association or foundation form as covered by this law), any entity that performs any of the activities of an association or foundation without following provisions of this law. Such entity shall be abolished by virtue of law and shall be subject to the provisions of section four, chapter one hereunder.
- b. Conducts an activity of any association or foundation despite the issuance of a verdict or a decision suspending its activities or dissolving it.
- c. Receives as a chairman or a member (whether officially or unofficially) in an association or a foundation, funds from abroad or sends money abroad or collects donations without the approval of the Administrative Body.
- d. Spends funds of an association or a foundation for personal purposes or for speculation in financial transactions.

- e. Disposes monies of an association or a foundation, against which a verdict or decision of dissolution and liquidation was issued or issuing a decision in this regard without a written order from the liquidator.

In cases mentioned in items c, d and e, the court shall also impose on the convicted person a fine equal to the amount received, sent, collected, spent, speculated or disposed, as the case may be. This fine shall go to the Associations and Foundations Support Fund.

**Third:** Imprisonment of no more than three months and a fine not exceeding two thousand pounds or either of these penalties shall be imposed in any of the following cases:

- a. Whoever conducts activities of an association or a foundation before the completion of its registration, with the exception of establishment activities.
- b. Any member of any Board of Directors of an association or a foundation or any manager who participates in having this association or foundation join, subscribe or affiliate with a club, association, agency or authority whose location is outside the Arab Republic of Egypt without notifying the Administrative Body or despite its objection.
- c. Any liquidator who disposes the monies of an association or a foundation in violation to provisions of this law.
- d. Any member of the Boards of Directors of public benefit associations who contributed in merging the association with another body without approval of the Administrative Body.

**Fourth:** A punishment of no less than one thousand pounds and not exceeding ten thousand pounds shall be imposed on any member of a Board of Directors in an association, foundation or federation who, in his personal capacity or as a member of the Board, causes violations that resulted in the removal of the Board or the dissolution of the association pursuant to this law.