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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

DRAFT LAW
ON CIVIC WORK ORGANISATIONS
OF EGYPT

(Final version of 28 May 2013)

(Unofficial translation)

In the name of God, the Merciful, the Beneficent

Draft Law No. /2013
On the issuing of the Law on Civic Work Organisations

In the name of the people,
The President of the Republic,

Having examined the Constitution,
civil law and the Criminal Code,
Customs Law No. 66 of 1963,
the Notarisation and Registration Fees Act promulgated by Law No. 70 of 1964,
the Stamp Duty Act promulgated by Law No 111 of 1980,
the General Sales Tax Act promulgated by Law No. 11 of 1991,
the Civic Foundations and Associations Act promulgated by Law No. 84 of 2002
the Income Tax Act promulgated by Law No. 91 of 2005,

And following the approval of the Council of Ministers,

the Consultative Assembly has approved the following law, which we hereby promulgate.

Article 1

Civic foundations, associations and federations established in accordance with the provisions of Law No. 84/2002 and previous laws and all entities working in the fields of civic work whose statutes are in conflict with the provisions of the appended law shall undertake to amend their statutes and bring them into line with the provisions herein, within one year from the date on which it enters into force. Failing this, the administrative authority shall ask the competent court to dissolve them. Their funds shall be allocated to the Civic Work Organisations Support Fund only pursuant to a final ruling on dissolution.

Article 2

The boards of directors of civic foundations, associations and federations and all entities referred to in the preceding Article, and their executive and administrative organs shall continue to operate until such time as they are restructured in accordance with the provisions of the appended law within one year from the date on which it enters into force.

Article 3

The Minister of Insurance and Social Affairs shall issue the implementing regulations for the appended law within three months from the date on which it is published. Until these regulations are issued, the existing implementing regulations and decrees shall continue to apply on the date the appended law takes effect, provided they do not conflict with its provisions.

Article 4

The Law on Civic Foundations and Associations promulgated in Law No. 84/2002 is hereby repealed. Any provision that conflicts with the provisions of the appended law shall also be repealed.

Article 5

This law shall be published in the Official Gazette and shall enter into force on the day following the date of publication.

This law shall be stamped with the seal of the state and implemented as one of its laws.

Promulgated by the Presidency of the Republic on .././1434 AH corresponding to .././2013

Dr Muhammad Mursi
President of the Republic

Law on Civic Work Organisations

Part 1 General Provisions Article 1

In the application of the provisions of this law, the following terms are given the definitions indicated below

1 - Civic work: all non-profit work that is carried out by a civic organisation in full compliance with the constitution and the law.

2. - Civic work organisation: all non-governmental entities established on a voluntary basis by a group of natural or legal persons, or both together, having legal personality undertaking civic work with the purpose of achieving humanitarian and developmental goals in the context of the values and standards of mutual consent, tolerance and respect of diversity and difference.

3 - Association: any group comprising natural or legal persons, or both together, who shall be no fewer than ten in number, for a purpose that does not involve making a financial profit for its members. Its aim shall be to contribute to the development of the individual and to maximise the individual's capacity to participate effectively in public life and to the sustainable development of society and the individual.

4 - Public benefit association: any association that seeks to achieve a public benefit, whose activity is aimed at serving the community. Pursuant to an application from the association, a decree to award public benefit status shall be issued by the Prime Minister or a person authorised by him, once it has fulfilled all the criteria stipulated in the implementing regulations.

5 - Civic Foundation: any legal entity established by allocating funds of no less than fifty thousand Egyptian pounds upon establishment for the achievement of a non-profit purpose.

6 - Central association: any association working in various civic work fields and activities, such as a community body, and whose number of founders is no fewer than one hundred members from at least five governorates, with a minimum of ten members from each governorate. It may stipulate in its regulations that it may have

branches in all parts of the Arab Republic of Egypt and abroad. It shall aim to participate actively in aspects of public life and the public interest. It shall be entitled to establish other subordinate entities working to promote the welfare and development of the individual and society. These organisations shall operate from a technical point of view in accordance with the regulations pertaining to them.

7 - Aid agency: a body consisting of natural or legal persons, or both together, working primarily on humanitarian aid work in times of disasters and armed conflicts, both domestic and foreign, and on programmes and projects subject to this law. It may have more than one branch within the Arab Republic of Egypt or abroad. The funds of these agencies shall be subject to the supervision of the administrative authority and the monitoring of the Central Auditing Authority. The implementing regulations of this law shall determine the programmes, projects and aid activities these agencies shall carry out.

8 - Foreign non-governmental organisation: a foreign non-profit legal entity whose main administrative office is located in the Arab Republic of Egypt or abroad, licensed to engage in one or more activities of organisations subject to the provisions of this law and in accordance with the regulations provided therein, pursuant to the agreement concluded by the organisation with the Co-ordination Committee.

9 - Regional federation: a voluntary federation established by a number of organisations subject to this law which are located within a given governorate, regardless of their activity. It shall have legal personality.

10 - Specialised federation: a voluntary federation established by a number of organisations subject to this law that carry out or fund a joint activity on a voluntary basis in a given field. It shall have legal personality, in accordance with the regulations pertaining to it.

11 - Network/Alliance/Coalition: a voluntary affiliation or a group of entities (non-governmental - governmental - private - foreign organisations - donors) with the purpose of planning for joint co-operation through which the resources and capabilities of the different members of

this affiliation will be brought together and focused on a development issue. It shall have legal personality, in accordance with the regulations pertaining to it.

12 – Initiative/Campaign: a voluntary affiliation of a group of natural or legal persons or organisations subject to this law with the purpose of promoting, encouraging, assisting and advancing the performance of a project through which the capabilities and potential of the organisations carrying it out are turned to account. This affiliation shall have legal personality, in accordance with the regulations pertaining to it.

13 – General Federation of Civic Work Organisations: a federation consisting of all organisations subject to this law which join it on a voluntary basis. Its board of directors shall comprise members of the general assembly constituting this federation. With regard to the participating members, the federation shall co-ordinate the civic work carried out by the various constituent organisations established in accordance with the provisions of this law. It shall have legal personality. Its headquarters shall be in Cairo, in accordance with the regulations pertaining to it.

14 – Founding Member: a natural or legal person who participates in the establishment of an organisation subject to this law, and signs its statutes.

15 – Co-ordination Committee: a committee formed by decision of the Prime Minister to determine all matters concerning the work of foreign non-governmental organisations in Egypt and foreign funding, subject to this law.

16 - Competent Court: the administrative court in whose district of jurisdiction the administrative office (or the main branch in the case of foreign organisation) of any organisation established in accordance with the provisions of this law is located, according to the circumstances.

17 – Competent Minister: the Minister of Insurance and Social Affairs.

18 – Administrative Authority: the Ministry of Insurance and Social Affairs and its directorates.

Article 2

The organisations subject to this law shall be bound, in their statutes, activities and funding, by the provisions of the constitution, the law, rules on transparency and human rights.

Article 3

All the provisions set forth in this law concerning associations shall apply to all civic work organisations referred to in this law, unless otherwise stipulated in a specific law concerning those organisations, with the exception of the provisions specific to associations.

Part 2 Associations

Chapter 1 Establishment of Associations

Article 4

In order to be established, an association shall have written statutes signed by the founding members and shall have its administrative office in the Arab Republic of Egypt.

Non-Egyptian nationals who have permanent or temporary residence in Egypt may be members of the association or of its board of directors, in accordance with the provisions of the implementing regulations, provided that they do not make up more than 25% of the number of members of the board of directors. Any foreign community may establish an association relating to the affairs of its members in accordance with the provisions of this law on condition of reciprocal treatment.

Article 5

The association's statutes, upon notification, shall include the following information:

1 – Name of the association, provided this is not identical to that of another association working with it in the geographical area in which it is registered.

2 – The purpose of the association (type, field and activity of the association) and geographical scope of its work.

3 – The address of the association's headquarters.

4 – The names of all founding members, with their surname, age, nationality, profession and place of residence, or legal personality details.

5 – The association's resources.

6 - The association's organs that represent it (general assembly, its board of directors), their powers, the manner in which their members are selected or their membership is withdrawn, removed or invalidated, the necessary quorum for these organs to meet lawfully and for the validity of their decisions, and the means of convocation by which their members are informed.

7- Membership regulations and terms, the rights and obligations of members, and in particular the right of each member to examine the associations' documents, attend general assemblies and vote at them.

8 – Financial monitoring regulations.

9 - The rules for amending the association's statutes, the establishment of association branches, the cases in which the association will be wound up and the parties to which its funds shall be allocated in such cases, either to a civic foundation or association working in the same field as the association or to the Civic Work Entities Support Fund.

10 - Name of the representative of the group of founding members authorised to carry out the establishment procedures.

Model statutes shall be appended to the implementing regulations of this law as guidance.

Article 6

The administrative authority shall record a summary of the association's statutes in the register of associations immediately upon notification of its establishment by registered letter with acknowledgement of receipt accompanied by:

1 - Four copies of the association's statutes signed by all the founding members.

2 - A notarised deed of occupancy of the association's headquarters.

3 - A statement of those who have been chosen for the chairmanship and membership of the first board of directors from among the founding members.

4 – Proof of payment of a registration fee to be entered in the register of the administrative authority, to be determined by the implementing regulations of this law, and which shall not exceed 200 Egyptian pounds which shall be allocated to the Civic Work Organisations Support Fund.

The administrative authority shall notify the relevant regional federation of the association's main headquarters within a period of thirty days.

The legal personality of the association shall be confirmed simply by notification accompanied by the abovementioned documents. The administrative authority shall give the association a certificate with its registration number and the documents submitted.

If the central association opens branches, it shall be sufficient for it to notify the administrative authority and the regional federation to which the branch belongs of the legal representative of this branch or the person who is managing the branch.

Registration of the association may not be refused in any regard except in accordance with the provisions of Article 7 of this law. The implementing regulations of this law shall specify the procedures of notification and what must be submitted to the administrative authority. A form for guidance shall be appended to those regulations.

Where there is no objection from the administrative authority, the association shall be considered registered thirty days following submission of the notification.

Article 7

If it becomes apparent to the administrative authority within thirty days from the date of notification that one of the purposes of the association is an activity prohibited under Article 10 of this law, it must notify the association in writing by registered letter with acknowledgement of receipt to remove the conflicting activity, within fifteen days. If the association fails to respond, an objection to the establishment of the association shall be brought before the competent court.

Where thirty days have passed without its objection or the issuing of a ruling rejecting the objection, the administrative authority shall take the necessary measures to publish a summary of the association's statutes on the Ministry's official website. The summary of the association's statutes shall be published in *Al-Waqai'a Al-Masriyya* (appendix to the Official Gazette). Failing this, the association may refer to the competent court for the issue of an order on a petition for publication.

Article 8

Any interested person shall be entitled to examine the registered summary of the

association's statutes and obtain a true certified copy thereof from the administrative authority upon payment of a fee to be specified in the implementing regulations of this law, which shall not exceed one hundred Egyptian pounds. This fee shall be allocated to the Civic Work Organisations Support Fund.

Article 9

Any amendment to the association's statutes shall comply with the procedures for its establishment in accordance with the provisions of Articles 4, 5 and 6 of this law.

Chapter 2 Aims, Rights and Obligations of Associations

Article 10

Associations shall work to achieve their aims in all fields of social welfare, aid and development, and the enlightenment of society in all cultural, religious, scientific, intellectual, sporting, and political and human rights aspects, and everything that is in the interests of society.

Where this is consistent with their aims and programmes, associations may support the community work of state institutions and civil society organisations.

All organisations subject to this law shall be entitled to obtain information and participate with different state institutions in framing public development planning policies and play a positive role in assessing the performance of different state institutions in accordance with the constitution and the law.

Associations shall be prohibited from having the following aims or engaging in the following activities:

1 – The establishment of military formations, units or organisations.

2 – Seeking to make a profit for the members of the association or its board of directors, or pursuing an activity for that purpose. Complying with commercial rules to make proceeds that contribute to achieving the association's purposes shall not be considered a conflicting activity. The implementing regulations shall set out those rules.

Article 11

Notwithstanding any privileges provided for by another law, all organisations established in accordance with the provisions of this law shall have the following privileges:

a) – Exemption from the registration and entry fees payable by these organisations in all types of contract to which the association is a party, as well as signature certification fees.

b) – Exemption from stamp duty and taxes imposed on all contracts, powers of attorney, entries, printed documents, registers and donations it receives.

c) – Exemption from customs duties and other taxes imposed on imports of tools, machinery, equipment, instruments, means of production and transportation, as well as on the gifts, donations and aid from abroad it receives. This is on condition that these items are necessary for its fundamental activities. It may only dispose of the durable items after the elapse of ten years, unless it has paid the customs taxes and duties owed. The provisions on foreign funding mentioned in Article 63 of this law shall apply.

d) – The real estate it owns shall be exempt from all property taxes. This is on condition that the association complies with the provisions of the laws regulating foreigners' ownership of real estate when exercising its right to real estate ownership in order to achieve its aims.

e) – Its projects shall be exempt from all forms of taxes.

f) – It shall be granted a 25% discount on the costs of transporting materials and equipment by rail.

g) – The tariffs for telephone subscriptions and calls, and electricity, water and natural gas shall be the tariffs prescribed for domestic use.

h) – The association shall be exempt from sales tax on the following: purchases of equipment, instruments, transportation and everything necessary for the fulfilment of its aims, the goods it produces, and the services it offers.

i) - Donations made to it shall be offset against the income of the donor up to a maximum of 25% of the donor's net profit.

Article 12

The association may pursue an activity that is not incompatible with its purposes by co-operating with a foreign foundation, association or organisation provided that the Co-ordination Committee is notified of this. The implementing regulations shall specify the information and data that must be included in the notification.

When establishing subordinate specialist service entities to participate in development projects, associations may seek advice from specialist technical and administrative agencies and ask them for support, if necessary.

Article 13

Any organisation governed by this law shall be entitled to receive funds and donations in kind from within the Arab Republic of Egypt from Egyptian natural and legal persons, residing within Egypt or abroad, from resident foreigners, or foreign non-governmental organisations licensed to work in the Arab Republic of Egypt to strengthen its financial resources to achieve its aims.

In the case of foreign non-governmental organisations not licenced to work in Egypt or foreigners not resident in Egypt, it must notify the Co-ordination Committee, of the identity, nationality and place of residence of the donor.

The Co-ordination Committee shall be entitled to object within thirty days of the notification. The objection must be reasoned. It must inform the association by registered letter of the reasons for the objection and ask for the activity to be stopped. If there is no objection within thirty days, this shall be considered implicit approval of the funding.

In the event of a failure to respond within fifteen days by halting the activity, the Co-ordination Committee must refer the matter to the competent court which shall rule on the objection within fifteen days from the date the appeal is lodged in accordance with the provisions of this law.

In all circumstances, this prohibition shall not apply to scientific and technical books, publications and magazines, provided their content is consistent with the activity of the association and contributes to the achievement of its aims.

Article 14

In order to achieve its aims and enhance its financial resources, an association may, after notifying the administrative authority, raise funds in all ways including through television campaigns, charity benefits and postal correspondence, exempt of all fees and taxes, such as entertainment tax and others. The administrative authority may object to the fundraising within fifteen days from the notification thereof in a reasoned letter sent by registered mail with acknowledgement of receipt to the association.

If the association does not respond, the administrative authority must refer the matter to the competent court which shall rule on the objection within fifteen days of its being submitted, in accordance with the provisions of this law.

Article 15

The association shall keep its documents, correspondence and records at its administrative centre.

Article 16

Any member of the association shall be entitled to examine any of the association's records, documents and papers. If this is not possible, the regional federation or administrative authority shall take the necessary measures to enable the association's members to do this, further to a request signed by at least one tenth of the number of members of the association.

Any person, body or foundation, that is not a member of the association, may examine items relating to the association's activity, within one month of the submission of an application to the regional federation with whom these documents are deposited or the administrative authority. The implementing regulations shall stipulate the rules governing this.

Article 17

Each association shall have an annual budget. It must keep records of its accounts in ledgers approved by the chairman of the board of directors and the treasurer, in accordance with its statutes, including details of its financial position, expenditure and income, including donations and their sources.

The association shall undertake to announce any donations, gifts or legacies received from within Egypt or abroad which exceed ten thousand Egyptian pounds on the website of the regional federation with which the association is registered.

If the total assets of the association's budget exceed one hundred thousand Egyptian pounds, then the board of directors must submit the financial position and the final accounts accompanied by the relevant supporting documentation to one of the accountants legally licensed for accountancy and auditing practice, in accordance with the accounting regulations in the implementing regulations of the law. This is so that the accounts may be inspected and a report submitted on them at least one month before the date of the general assembly.

The board of directors' report and the auditor's report, budget and final accounts shall be made available at the association's headquarters at least two weeks before its general assembly is held. They shall remain there until they have been approved by the general assembly. The implementing regulations of this law shall specify how these reports are to be presented.

Article 18

The association shall deliver to the administrative authority a copy of its final annual accounts approved by the general assembly, together with the resolutions of the ordinary and extraordinary general assemblies, and the annual activity report submitted to the general assembly.

The administrative authority shall provide the regional federation with a copy of these reports on its website within thirty days.

If the administrative authority objects to any of these resolutions, it shall inform the association of this within fifteen days of its receipt of the resolutions. If the association does not respond to these objections within fifteen days following the day it is notified of the objection, the administrative authority shall refer the matter to the competent court.

Article 19

The association shall deposit its cash funds at any bank or saving fund in Egypt under

the name in which it was registered and under the name of any of its activities or projects. These funds may not be disbursed except by the chairman of the board of directors of the association or a person delegated by him and the treasurer or a person delegated by the latter in line with a resolution of the board of directors. The regional federation and the administrative authority shall be notified of the names of those who are entitled to sign.

Article 20

The association may hold general meetings both at its headquarters and elsewhere. The association may also issue publications or magazines on a regular basis about its activities and to help achieve its aims without being subject to the restrictions set forth in the law governing the press.

Article 21

The central association may establish branches and offices within the governorates, centres, cities and villages of the Republic, in accordance with the rules determined in its statutes.

It shall also be entitled to set up branches and offices outside the Arab Republic of Egypt in accordance with the provisions of its statutes. This must be notified by the board of directors to the administrative authority and the regional federation in whose area the association's headquarters is located.

Article 22

The association may merge with one or more other associations within the Arab Republic of Egypt following the approval of each of their general assemblies. The board of directors shall notify the administrative authority and the regional federation of the new entity, in order to establish its new legal personality.

The association may affiliate, participate or join any association or body whose headquarters is outside the Arab Republic of Egypt in accordance with the provisions of its statutes, subject to the approval of the Co-ordination Committee.

Article 23

Every person shall be entitled to freely join the association after fulfilling the conditions laid down in the association's statutes.

Any association member shall be entitled to withdraw from membership at any time, provided that the association is notified thereof in writing or by registered letter with acknowledgement of receipt. The association shall retain the right to claim any dues regardless of their nature.

Associations shall include in their statutes rules and stipulations for the acceptance of membership and terms for the board of directors to approve membership.

Article 24

The general assembly shall be formed from all members who have at least three months' membership and who have fulfilled their obligations in accordance with the association's statutes. The members of the central association may elect a board to carry out the functions of the general assembly and act on its behalf, in accordance with the provisions of its statutes.

The association's statutes shall determine everything that concerns the general assembly unless otherwise stipulated in this law.

Article 25

The general assembly shall convene for an ordinary meeting at least once a year upon the invitation of the board of directors which shall inform each member who is entitled to attend. The convocation shall include the venue, time and agenda for the meeting as laid down in the association's statutes. The meeting shall cover: the board's annual report, the budget, the final annual accounts, the auditors' report, and the election of board members to replace those who are standing down or whose terms have expired.

The administrative authority or regional federation may not attend meetings of the general assembly, including the elections of the board of directors, unless invited by the association's board of directors or 25% of members of the general assembly.

Article 26

An extraordinary general assembly may be convened by a notice of call from the board of directors, or based on a request from at least a quarter of the general assembly's members. An extraordinary general assembly shall be convened to examine an amendment to the

association's statutes, the removal of all or some of the board members, or for other issues specified by the statutes as warranting an extraordinary general assembly.

The association may be dissolved or merged with a third party by a resolution from the extraordinary general assembly or by the agreement of two thirds of its members, in accordance with the provisions of the association's statutes. The decision to dissolve the association must include the appointment of a liquidator (or liquidators), the period of liquidation and the fees to be received by the liquidator.

Article 27

The members of the general assembly and the board of directors may not participate in any decision-making regarding the association's activities in which they, or any of their relatives up to the third degree of consanguinity, have a personal interest thereto.

Board members may not combine membership of the board with remunerated work in the association.

Article 28

An absolute majority of members present shall constitute a quorum for the general assembly or the body representing it in the case of the central association. If the required number for this majority is not present then the meeting will be postponed to another time, which will be a minimum of one hour and a maximum of fifteen days from the date of the first meeting, in accordance with the provisions of the association's statutes. The postponed meeting shall be considered to constitute a quorum if at least 25% of the members or 20 members (whichever is the smaller) are present. Resolutions at the ordinary general assembly are passed by an absolute majority of the members present unless the association's statutes specify a different percentage.

Article 29

The association's statutes shall specify the conditions that must be fulfilled for a person to nominate himself or herself for membership of the board of directors and the procedures for holding elections. The administrative authority or the regional federation may monitor the election

procedure in the associations that are a part of it, in accordance with the second paragraph of Article 25.

The statutes shall also specify the number of members of the board of directors, such that the number is an odd number and there are no fewer than seven members.

The term of the board of directors shall be 4 years.

Article 30

The association's board members may not combine membership of the board and a position with a regional federation, administrative authority or other public body in charge of supervising or directing associations or their funding. This prohibition shall not apply to associations whose membership is limited to employees of one of the abovementioned bodies.

Article 31

The association's board of directors shall be responsible for managing its affairs. To this end, it shall carry out all activities with the exception of those for which this law or the association's statutes provide that prior approval from the general assembly must be sought. The board of directors shall have a chairman to represent the association before the courts and third parties.

Article 32

The board of directors shall appoint a director for the association from among its members without remuneration or from outside with remuneration. An appointment decision shall specify the management responsibilities of this appointment.

Article 33

Taking into consideration the provisions of the association's statutes, if the number of members of the board of directors is no longer sufficient to meet the quorum, the chairman of the regional federation to which the association belongs shall call on the association's headquarters to hold its general assembly to elect a new board of directors within sixty days and to appoint from among the association's members a representative to carry out the board of directors' work during this period, unless the statutes stipulate otherwise. The administrative authority shall be notified

of this. Failing this, it shall convene the general assembly on the Friday following the period referred to.

The tasks of the representative shall end with the election of the new board of directors.

Chapter 3 Public Benefit Associations

Article 34

Provided there is no specific provision stipulating otherwise in this section, public benefit associations shall be subject to the provisions set out for associations. The funds of these associations shall be considered public funds and shall be subject to the supervision of the Central Auditing Authority.

Article 35

Public interest status may be granted to the association by a decree of the Prime Minister or his delegate, further to an application to the competent minister and following the assignment to the association of certain activities, projects, programmes or the management of a foundation belonging to any of the different ministries.

Ministries, local administrative units and other authorities and bodies may ask the competent minister for approval to assign certain activities, projects, programmes or the management of one of their foundations to any association.

The application must include the following:

- 1 – Details of the association's previous works and projects.
- 2 – Detailed description of the components, aims and objectives of the foundation, project, or programme intended to be assigned to the association.
- 3 – Information about the benefits of assigning the activity, project, programme or management of a foundation to the association.

A decision shall be made about the application within thirty days from the date of submission.

Any rejection of the application must be made in writing to the association, giving reasons. The association shall be entitled to appeal before the competent court.

The association's public benefit status shall terminate at the end of the assigned project.

Public benefit status may not be cancelled before the end of the assigned project except where the association fails to end a breach or its causes after the association has been notified by the administrative authority to rectify any decisions and activities that the administrative authority considers to be in breach of the procedures to acquire the status within 15 days; in such cases, the administrative authority may refer the matter to the competent court. Public benefit status shall be cancelled only by a final court ruling.

Article 36

A decision of the competent minister shall determine the public authority privileges which associations granted public benefit status shall enjoy. In particular, the association's funds may not be seized in whole or in part; these funds may not be acquired through lapse of time; properties for the public benefit may be expropriated in its favour; and it may be assigned state-owned land in order to achieve the objectives the association is pursuing.

Article 37

Public benefit associations may merge with the approval of the general assembly of each of the associations concerned and following notification to the regional federation to which each association belongs. Public benefit associations may not merge with other associations that have not been granted public benefit status except with the approval of the general assembly of each association and a decree by the Prime Minister further to a petition from the competent minister.

Chapter 4
Welfare accommodation

Article 38

No building may be allocated for accommodating children, the elderly, the chronically ill, people with disabilities and others who need special community care except with the authorisation of the administrative authority and notification to the regional federation of the area in which the building is located. The implementing regulations of this law shall specify the

rules and procedures for this authorisation to be granted and cancelled.

The regional federation and the General Civic Work Foundation shall individually or jointly, in co-ordination, monitor the functioning of such housing. If they notice any breaches, they must notify the administrative authority immediately with appropriate recommendations. The implementing regulations shall determine the nature of such breaches and the mechanism for dealing with them.

Part 3
Civic Foundations

Article 39

Provided there is no provision stipulating otherwise in the law or deed of establishment, all the provisions that apply to associations shall apply to foundations subject to this law, with the exception of the provisions specific to associations.

Article 40

Civic foundations shall be established through the allocation of no less than fifty thousand Egyptian pounds for a specified or unspecified period to achieve a non-profit purpose. Those establishing the foundation may not dispose of the funds allocated or its income except for the foundation's prime activity.

This amount shall be returned only in the event of dissolution and liquidation of the foundation.

Article 41

A civic foundation shall be established by a single founder or group of founders comprising natural or legal persons or both. The founders shall draw up statutes that shall in particular include the following information:

1. Name of foundation, the geographical scope of its work and its head offices in the Arab Republic of Egypt.
2. The purpose to be achieved for which the foundation has been established.
3. A detailed statement of the funds allocated for the achievement of the foundation's aims.
4. The organisation of the foundation's management body, including the procedure for appointing the chairman and members of the board of trustees and the

procedure for appointing the executive director.

A civic foundation may also be set up through an official deed, a notarised bequest or a *waqf* (endowment) registered in accordance with the law on *waqfs*. Any of the above shall be considered the equivalent of the foundation's statutes provided that it contains the information stipulated in the previous paragraph

The implementing regulations of this law shall be accompanied by model statutes for guidance.

Article 42

Where a civic foundation is established through an official deed, the person who has established it may dissolve it with another official deed.

Article 43

The legal personality of the civic foundation shall be confirmed in accordance with the procedures for the registration of associations, following notification from the person establishing the foundation, the chairman of the board of trustees, or the person appointed to execute the bequest.

Article 44

Each civic foundation shall have a board of trustees consisting of an odd number of no fewer than five members appointed by the founder or founders. It may include the chairman and members.

The administrative authority and the regional federation shall be notified of the appointments, and of any changes made to the board of trustees.

If the board of trustees has not been appointed or there is one or more vacant seats on the board and it is impossible to appoint a replacement for the vacant seat or seats in line with the procedure set out in the statutes, the provisions of Article 33 of this law shall apply.

Article 45

The board of trustees shall assume responsibility for the management of the civic foundation in accordance with its statutes. It shall be represented by its chairman before the courts and third parties.

Part 4

Federations and civil work groupings

Chapter 1

Networks, Alliances, Initiatives, Specialised and Regional Federations

Article 46

Networks, alliances, initiatives and specialised federations shall be registered under the address of their headquarters at the regional federation relevant to the address of the said headquarters.

Article 47

One regional federation shall be set up in each governorate in which associations, civic foundations and other organisations subject to this law are registered, in accordance with Article 6.

Article 48

Any number of organisations subject to this law may set up among themselves a specialised federation, network or any type of federation or grouping for a specified or unspecified period. The statutes of this federation or grouping and its regulations, bodies, method of carrying out its terms of reference, means of funding and procedures for dissolution and terminating its activity shall be specified in the founding agreement. The establishment of this federation or grouping shall be notified by the same procedures as that specified for associations in this law.

The federation may not reject an application for an association or any other organisation subject to this law where all the conditions for membership have been fulfilled.

The board of directors of the newly-created grouping must also notify the administrative authority and the regional federation within thirty days of any changes in the composition or terms of reference of the grouping, and of any new members who join or those who withdraw their membership.

Article 49

Associations, foundations and other civil work organisations within a governorate may on a voluntary basis subscribe to the regional federation in return for an annual subscription fee specified in the

implementing regulations of this law. The federation's board of directors shall be elected from among representatives of these organisations, consisting of a chairman and 12 members. The term of the board of directors shall be four years.

The board shall safeguard the interests of the member associations. It shall resolve problems among them and carry out support activities that serve the organisations and their members. The implementing regulations shall specify its other attributions.

Article 50

The boards of directors of the various federations shall notify the administrative authority of any changes in the composition of these federations or their terms of reference, and of any members joining or withdrawing from them.

Chapter 2 General Civic Work Federation

Article 51

A general federation of civic work organisations subject to this law shall be set up. It shall have legal personality and all civic work organisations may join on a voluntary basis. Its headquarters shall be in Cairo. The federation's management shall be assumed by its board of directors consisting of thirty-five members, including the chairman, elected from among members of civic work organisations. The term of the board shall be four years.

The internal regulations shall specify the conditions for nomination, the method of election, and the powers of the general federation of civic work organisations. It shall be responsible for the following:

- 1 – Preparing a general concept of the role of civic work organisations in the implementation of development programmes.
- 2 – Carrying out the necessary technical studies to enhance the capabilities of civic work organisations to augment their financial resources.
- 3 – Organising capacity building and development programmes for civic work organisations and their members.
- 4 – Creating a database of all organisations active in the civic work field.
- 5 – Preparing the necessary studies for a system to improve civic work and the

bases for the classification of civic work organisations subject to this law.

6 – Drafting an annual report on the achievements of civic work organisations including an assessment of their capabilities and solutions to the obstacles to their work.

7 – Suggesting amendments to the legislation governing civic work and co-ordination with relevant agencies to issue the necessary legislation to support and strengthen the role of civic work organisations in playing their role in planning development and contributing to the framing of general state policies.

Article 52

The general federation shall hold an annual general conference comprising the chairs of the boards of directors of member civil society organisations and other civic work organisations. It may invite to the conference well-known figures involved in civic work activities to discuss topics referred to it by its technical committees or by specialised and regional federations and other civil society organisations subject to this law.

Part 5 Chapter 1 Co-ordination Committee

Article 53

By decree of the Prime Minister, a Co-ordination Committee shall be created with nine members under the chairmanship of the competent minister. Its membership shall include:

- Four representatives of relevant ministries and authorities chosen by the relevant ministers.
- Four representatives of civic work organisations chosen by the General Civic Work Organisations Federation.

The Committee shall have the authority to issue resolutions concerning the work of foreign non-governmental organisations in Egypt and foreign funding.

- The Committee may seek assistance from whomever it considers to have expertise and competence.
- It must invite interested parties to attend when discussing issues of relevance to them.

The Committee shall issue reasoned decisions which shall be final; interested parties may appeal against them before the competent court in accordance with the appeal deadlines in administrative decisions. The Court shall decide on the appeal within 15 days.

The Committee shall hold its meetings at least once a month and whenever necessary, at the convocation of its chairman.

The Committee shall have a permanent technical secretariat whose members shall be appointed by a decision of the competent minister. The implementing regulations shall specify the activities and records of the technical secretariat that are necessary to assist the Committee in the performance of its duties.

Article 54

The Co-ordination Committee shall decide on applications made to it from foreign non-governmental organisations referred to in Chapters 2 and 3 of this Part within 30 days of the submission of the application.

Chapter 2

Foreign Non-Governmental Organisations established in accordance with International Agreements and Treaties

Article 55

The provisions of international agreements ratified by the Arab Republic of Egypt shall apply to foreign non-governmental organisations established in accordance with those agreements. The provisions of this law shall apply unless otherwise specifically stipulated in those agreements.

Article 56

Foreign non-governmental organisations set up in accordance with an international agreement or treaty shall submit to the Co-ordination Committee a licence application accompanied by a copy of the agreement or treaty in question. Its activity must not conflict with the text of the treaty or agreement. The Committee shall forward to the organisation a dated document acknowledging receipt of the licence application, which shall be considered legal before the official authorities.

A decision on the application shall be issued by the Co-ordination Committee

within the period stipulated in Article 54 of this law. If this period elapses without a decision being issued by the Committee, the organisation shall acquire legal personality; the organisation may apply to the competent court if the Committee objects on the ground that the activity is incompatible with the activities set out in the treaty or agreement, unless the international agreement or treaty stipulates otherwise. If a rejection decision is issued, the document referred to in the second paragraph of this Article may not be relied upon.

Chapter 3

Foreign Non-Governmental Organisations not established in accordance with International Agreements and Treaties

Article 57

Foreign non-governmental organisations not established in accordance with international agreements and treaties may carry out any activity in the Arab Republic of Egypt after obtaining a licence from the Co-ordination Committee to do so, a court ruling or if the Committee fails to respond to its application within the legal time period stipulated in Article 54 of this law.

The implementing regulations shall specify the procedure for a licence application to be submitted, its term, renewal, the information and statistics that must be included in this application, and the documents that must accompany it. The fee the organisation must pay for the licence application and the renewal application shall be specified in the implementing regulations of this law, which shall not exceed 500 Egyptian pounds, which shall be allocated to the Civic Work Organisations Support Fund.

In all cases, the licence shall be for a renewable period of five years or according to the timetable for the plan to be carried out, whichever is the shorter.

In all cases, the organisation's licensed activity must be consistent with the constitution and the law.

The main headquarters for the work of the foreign non-governmental organisation must be in the capital of a governorate of the Arab Republic of Egypt. If it wishes to set up other branches in governorates in accordance with its permitted activities, it

must have the Co-ordination Committee's approval for this.

Article 58

Any governmental agency may carry out or perform projects in partnership with foreign non-governmental organisations or agencies after notifying the Co-ordination Committee.

Article 59

Authorisation may be given to foreign non-governmental organisations to carry out the activities permitted in this law in the Arab Republic of Egypt, provided that this activity is not party political activity carried out by political parties or activity which violates national sovereignty.

Article 60

The foreign non-governmental organisation shall spend its funds for the achievement of its objectives, and as is consistent with the rules on the activity it is permitted to carry out within the Arab Republic of Egypt, in accordance with the constitution and the law.

Article 61

After registration, foreign non-governmental organisations shall be entitled to rent the property and buildings necessary to enable them to achieve their purposes, subject to the provisions of the relevant legislation.

It is prohibited for the organisation to use its headquarters to achieve unauthorised aims or carry out activities for which it does not have permission.

Article 62

The foreign non-governmental organisation granted permission to operate in the Arab Republic of Egypt shall be subject to the monitoring of the competent Co-ordination Committee, in accordance with the provisions of this law. It shall submit to the Committee bi-annual performance reports during the period that it carries out the permitted activity, an annual financial accounts report, and any reports or information requested by the Co-ordination Committee concerning the organisation or any of its activities.

The foreign non-governmental organisation shall send a copy of these reports to the regional federation in whose area the organisation's headquarters is located. The regional federation shall publish these reports on its website. Any person or body shall be entitled to examine these reports at the regional federation's headquarters.

If the Co-ordination Committee expresses an objection to any activity or method of funding, it must notify the organisation in writing by registered letter with acknowledgement of receipt of the requirement to remove the causes of the objection within a period of 15 days. If the organisation fails to do this, the Chair of the Co-ordination Committee shall form a committee to carry out a financial and administrative inspection looking at the aspects of the objection and the reasons for the organisation's failure to take action. If it corroborates the objection, the Co-ordination Committee shall instruct the organisation to address the reasons for the objection within 15 days. If this is not done, the Co-ordination Committee may apply to the competent court to seek a temporary suspension of the activity until a final ruling is issued on the objection.

The implementing regulations of this law shall specify the formation of the financial and administrative inspection committee, its mission, powers and working procedures.

Article 63

Egyptian civic work organisations wishing to obtain foreign funding from a foreign non-governmental organisation which does not have branches in the Arab Republic of Egypt must apply to the Co-ordination Committee for authorisation to receive the funding, together with information about the programmes, projects and activities scheduled to be carried out with this funding, and all the documentation stipulated in the implementing regulations of this law.

The Co-ordination Committee shall reach a decision on this application within 30 days from the date of the submission of the application. If this abovementioned period elapses without a decision being issued by the Committee, this shall be considered approval of the funding. If a decision is issued to reject it, this must be reasoned and in writing. A rejection decision may

be appealed against before the competent court.

Applications by Egyptian civic work organisations subject to this law for funding for projects, programmes and activities outside Egypt the purpose of which is to provide aid shall be responded to with a reasoned decision within a maximum period of one week from the submission of the application. The applicant may appeal against the rejection before the competent courts.

In all circumstances, if Egyptian organisations authorised to obtain foreign funding wish to acquire new funding, they must submit an application to the Co-ordinating Committee for authorisation to obtain this funding in accordance with paragraph 1 of this Article. However, the organisation need not submit the application if the new funding is from the same source. In such cases, the organisation shall inform the Co-ordination Committee of this funding within 15 days of receipt of the funding, by registered letter with acknowledgement of receipt.

The implementing regulations of this law shall specify the procedure for the issuing of the funding authorisation and details of notification of new funding, in accordance with the preceding paragraph. Upon submitting its application, the organisation shall pay a fee, specified in the implementing regulations of this law, which shall not exceed 1,000 Egyptian pounds, which shall be allocated to the Civic Work Organisations Support Fund.

Article 64

If the work of the foreign non-governmental organisation terminates amicably or through the courts, its funds shall be allocated to an Egyptian organisation subject to this law and working in the same field of activity as the foreign non-governmental organisation or approval shall be given for the foreign non-governmental organisation to transfer these funds abroad.

The foreign non-governmental organisation's management may choose either of the abovementioned options once it has paid all dues owed by the organisation to the various Egyptian authorities.

Part 6

Civic Work Organisations Support Fund

Article 65

A fund shall be set up in the General Civic Work Federation to support civil work organisations. The Civic Foundations and Associations Support Fund set up in the Ministry of Social Insurance and Social Affairs shall be assigned to it in accordance with the provisions of Law No. 84/2002 inclusive of the rights and obligations thereof.

Article 66

The fund shall have a board of directors chaired by the chairman of the General Federation and with the following members:

1 – five members of the civic work organisation that are members of the General Federation of Civic Work Organisations who fulfil the conditions set out in Article 67 of this law. They shall be selected by the board of directors of the general federation, on condition that they all represent a separate specific activity and one of them is a representative of a public benefit association.

2 – Three personalities concerned with civic work selected by the General Federation of Civic Work Organisations.

3 – Three representatives of the relevant ministries (Ministry of Social Affairs, Ministry of Finance, Ministry of International Co-operation).

The term of the board of directors of the Fund shall be four years. Members may be reappointed for a further term. A decision shall be issued by the competent minister to form the Fund's board of directors and the implementing regulations shall specify how the Fund shall operate.

Article 67

The board of directors of the General Federation of Civic Work Organisations shall select the eight members of the Fund's board of directors from among the members of those organisations which fulfil the following conditions:

1 – they have been established in accordance with the provisions of this law;

2 – the auditor's reports of their accounts and budgets and their final accounts for the three years prior to nomination confirm their sound financial situation;

3 – they have not committed any of the violations set forth in this law during the

five years prior to submission of their nomination;

The organisation represented by any member of the Fund's board of directors shall not receive any grant or privileges that the Fund provides for its members.

Article 68

The Fund's board of directors shall be responsible for monitoring its activities and in particular the following:

- 1 – taking the necessary steps to increase the Fund's resources;
- 2 – undertaking the necessary studies on the financial situation of the organisations subject to this law and prioritising the support offered by the Fund;
- 3 – collecting financial data on the civic work organisations and the limits to the expansion of their activities; issuing publications which enable both internal and external donors to ascertain the value of their contributions and to prepare and publish an annual directory with details of the affiliated civic foundations and associations and other civic organisations subject to this law, to enable citizens to participate in them and take part in voluntary social work;
- 4 – establishing rules governing the allocation of support;
- 5 – providing financial support to all civic foundations and associations subject to this law;
- 6 – issuing an annual financial report and a report on the Fund's activities published in a widely circulated daily newspaper.

Article 69

The fund's financial resources shall consist of the following:

- 1 – Amounts included in the state's general budget to support civic work organisations established in accordance with the provisions of this law.
- 2 – Gifts, aid and donations received by the Fund.
- 3 – Funds that are allocated to it from civic work organisations that have been dissolved.
- 4 – Additional fees imposed for the benefit of charity work.
- 5. – Fees obtained in pursuance of this law.
- 6. – The proceeds of fines obtained in application of the provisions of the final paragraph of section three of Article 70 of this law.

7 – Any other resources approved by the Fund's board of directors.

The board of directors shall draw up financial regulations approved by the Ministry of Finance, indicating the Fund's remaining resources and how they are disbursed.

Part 7

Penalties and sanctions

Article 70

Without prejudice to any greater penalty stipulated in the Criminal Code or any other law, the offences mentioned in this Part shall be punished as follows:

- 1 - Anyone who sets up an association whose activity or structures are armed shall be punished by a fine of no less than 50,000 Egyptian pounds and no more than one hundred thousand Egyptian pounds. In this case, the competent court shall issue an order to dissolve the association if the activity has been carried out in the name of the association. Members of the association's board of directors shall also be banned from the membership of boards of directors of any civil work organisation for a period of ten years.
- 2 – Anyone who obtains personal gain from the exemptions mentioned in Article 11 of this law shall be ordered to pay a fine of no less than 20,000 Egyptian pounds and no more than one hundred thousand Egyptian pounds and shall be prohibited from membership of the board of directors of any civil work organisation for a period ten years; in addition, the association shall be deprived of the said exemptions for a period of no fewer than 5 years and no more than ten years.
- 3. The following shall be punishable by a fine of no less than 10,000 Egyptian pounds and no more than 100,000 Egyptian pounds and shall prohibit membership of the board of directors of any civil work organisations for a period of no less than one year and no more than five years:
 - (a) Disposal of the funds of a civic work organisation for purposes other than those for which they were allocated, for personal purposes or to speculate on them in financial transactions that are in breach of the provisions of this law.
 - (b) Anyone who receives, in his or her capacity as a chairman or member of an organisation subject to this law, whether this is his or her actual or alleged status, funds from abroad or sends funds abroad

without obtaining the permission of the Co-ordination Committee or without informing the latter of a renewal of the funding in violation of the provisions of the final paragraph of Article 63 of this law.

(c) Disposing of the funds of any civic work organisation in respect of which a dissolution or liquidation judgment has been delivered, or issuing a decision for the disbursement of such funds without a written order of the liquidator.

In the cases indicated in sections 2 and 3 above of this Article, the court shall also impose on the person thus sentenced a fine equivalent to the amount of the value of the funds received, sent, collected, spent, speculated on, or disposed of, or of the advantage obtained, depending on the circumstances, and the proceeds of this fine shall be allocated to the Civil Work Organisations Support Fund.

Article 71

The administrative authority and any interested party shall be entitled to apply to the competent court to object to any resolutions of the general assembly or the association's board of directors or any of its activities. The court may issue a summary judgment except in the case of a judgment to dissolve the association or liquidate its funds. The judgment shall be enforced only once it has become final.

Article 72

If a civic work organisation subject to this law is in contravention of its statutes or violates the provisions set forth in this law in the following circumstances:

- 1 – disposal of its funds or allocating them for purposes other than those for which it was established;
2. – seeking to gain profit for the members of the organisation or its board of directors, or pursuing an activity which violates the rules set forth in paragraph (2) of Article 10 of this law;
- 3 – receipt by the organisation of funds or donations in breach of the provisions mentioned in this law;
- 4 – the association's joining of, participation in or affiliation to a foreign club, association, body or organisation in breach of the provisions of this law,

the competent court shall pronounce one of the following penalties according to the seriousness of the breach attributed to the organisation:

- a) Order the organisation to remedy the breach within a time period determined by the court.
- b) Annul the decision or cease the activity objected to.
- c) Suspend the activity of the member in breach or suspend his/her membership of the board of directors.
- d) Partial or full dismissal from the board of directors.
- e) Suspend the organisation's activity for a determined period.
- f) Dissolve the association and liquidate its funds.

Article 73

In the event of a ruling to dismiss the organisation's elected board of directors, the court must include in its judgment the appointment of a three-person committee made up of members of the general assembly who are not members of the dissolved board of directors as a legally-appointed administrator nominated by no fewer than 25% of members of the general assembly itself.

If the general assembly itself is the board of directors, the court shall appoint a committee from outside the organisation whose task shall be to hold new elections in accordance with the organisation's statutes within a period of no more than sixty days from the date that the ruling issued to appoint it becomes final. It shall have the powers of the chairman of the board of directors to preserve its rights. It shall present a complete report of its works at the first general assembly, for approval.

Article 74

If the organisation is dissolved, in accordance with the provisions of this law, one or more judicial liquidators shall be appointed. This appointment shall be made by the general assembly if this dissolution is voluntary or the court if it is court-ordered. In all circumstances, the rules stipulated in the association's statutes must be followed with respect to the proceeds of the liquidation.

The decision to appoint a liquidator must include instructions for the latter to transfer the dissolved organisation's funds to the Civic Work Organisations Support Fund if the association's statutes have not specified the association or entity to which the proceeds of the liquidation will be allocated.