Arab Model Law on the Establishment and Operation of Non-Governmental Organizations (NGOs)

May 2014
Arab Model Law on the Establishment and Operation of Non-Governmental Organizations (NGOs)

May 2014
## Contents

**Introduction** ................................................................. 3

**Chapter 1. Definitions and Principles** ........................................ 5
   - Article 1 – Title of the Law .............................................. 5
   - Article 2 – Purpose of the Law .......................................... 5
   - Article 3 – Definitions .................................................. 6
   - Article 4 – Purpose of the NGO .......................................... 6
   - Article 5 – Principles for the NGO ..................................... 7

**Chapter 2. Establishment of an NGO** ....................................... 8
   - Article 6 – Establishment of the NGO through Notification .......... 8
   - Article 7 – Rejection of the Application for Registration ............ 9
   - Article 8 – Legal Personality of the NGO ............................. 9
   - Article 9 – Unregistered Associations ................................ 9
   - Article 10 – Foreign NGOs .............................................. 10
   - Article 11 – Name of the NGO ......................................... 11
   - Article 12 – Activities of the NGO .................................... 11
   - Article 13 – Bylaws of the NGO ....................................... 11
   - Article 14 – Registry of NGOs ......................................... 12

**Chapter 3. Membership in an NGO** ....................................... 13
   - Article 15 – Requirements for Membership in an NGO ............ 13
   - Article 16 – Membership of Foreigners in an NGO ................. 13
   - Article 17 – Terms of Membership .................................... 13
   - Article 18 – No Personal Liability for Obligations of the NGO .... 13

**Chapter 4** ........................................................................... 14

**Rights and Duties of the NGO, including Organization and Funding** 14
   - Article 19 – Board of Directors ....................................... 14
   - Article 20 – Decision-Making Process ................................. 14
Introduction

This Arab Model Law on the Establishment and Operation of Non-Governmental Organizations (NGOs) is drafted by The Protection Project. I would like to recognize the chair of the drafting committee, Ms. Julia Braunmiller, Director of Legal Affairs.

The Protection Project held several consultations in Jordan and Kuwait with members of academia and civil society. My special thanks go to Tariq al Hammouri, Dean of the University of Jordan Faculty of Law and Eisa Al Anezi, Head of the international law department at Kuwait University Faculty of Law.

Freedom of association and expression are two fundamental human rights which need to be observed in a legal system that is based on the rule of law and respect for the rights of all people. The purpose of this model law is to provide for the rules that may govern the establishment and operation of an NGO. NGOs are essential elements of civil society that must be granted freedom to participate in any democratic process so that they may contribute to the good of the society.

I believe that the Model Law achieves this goal by detailing the rights of an NGO and balancing such rights against the authority of the state in a relationship that should be built on trust and mutual understanding of the mechanics of a democratic society where every individual has a voice that is heard and has an impact.

I hope that this Arab Model Law on the Establishment and Operation of NGOs will contribute to the successful legislative movement embarked upon by the League of Arab States in drafting model laws that aim at the harmonization and unification of the law in the Arab world.

Mohamed Mattar
Executive Director
The Protection Project
Chapter 1  
Definitions and Principles

Article 1 – Title of the Law

This law is titled Law on the Establishment and Operation of Non-Governmental Organizations (NGOs) (NGO Law).

Article 2 – Purpose of the Law

Recognizing the ultimate goal of protecting the freedoms of assembly and association which serve as a vehicle for the exercise of fundamental civil, political, cultural, economic, and social rights that are essential for the functioning of a democratic, just, and pluralistic society, the purpose of this Law is –

a) To harmonize legal provisions for the establishment and operation of NGOs;

b) To guarantee the right to establish and operate NGOs as independent actors of society;

c) To promote the right of individuals to join NGOs;

d) To determine the role of NGOs in supporting individuals to collectively exercise their civil, political, cultural, economic, and social rights;

e) To establish a mechanism to organize the process of registering local and foreign NGOs;

f) To provide the right of NGOs to seek, receive, and use resources for their activities; and
g) To create a mechanism to monitor the activities of NGOs aiming to ensure that they carry out their activities in accordance with this Law without unduly interfering with their right to freedom of assembly and association.

Article 3 – Definitions

For the purpose of this Law –

a) “Non-governmental organization” or “NGO” shall mean an association that is independent from the government, consists of natural or legal persons, acquired the status of a legal person through notification and registration in accordance with the provisions of this law, and seeks to achieve its purposes operating on a not-for-profit basis according to its bylaws;

b) “Foreign Non-Governmental Organization” shall mean an NGO with legal personality that is established and recognized in another country in a manner that does not conflict with the laws of this country;

c) “Competent authority” shall mean the agency, commission, committee, or department that is established in accordance with the provisions of this Law and is responsible for the registration and oversight of non-governmental organizations;

d) “Resources” shall include financial transfers, such as donations, grants, contracts, sponsorships, and social investments; loan guarantees and other forms of financial assistance from natural and legal persons; in-kind donations, such as contributions of goods, services, software and other forms of intellectual property, and real property; material resources, such as office supplies and IT equipment; human resources, such as paid staff and volunteers; and access to international assistance and solidarity.

Article 4 – Purpose of the NGO

An NGO may be established under this Law to achieve political, social, cultural, educational, environmental, or other purposes. In achieving these purposes, NGOs shall assist local communities to carry out public interest activities such as public awareness raising and advocacy; establish a political dialogue; organize initiatives to combat illiteracy, poverty, unemployment, lack of equal opportunities, and discrimination; provide health, legal, and social services; promote a safe, clean, and healthy environment; strengthen ties among members of a local community; and foster international cooperation and development.
Article 5 – Principles for the NGO

An NGO shall –

a) Seek to achieve its specific purposes through peaceful and democratic means within the boundaries of this Law;

b) Ensure that its resources are effectively used for the intended purposes;

c) Commit to transparency, accountability, and openness in all its operations and activities;

d) Observe the fundamental human rights of all its members as well as members of the society;

e) Apply the principle of non-discrimination, i.e. equal treatment regardless of race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status; in particular non-discrimination of indigenous peoples; persons with disabilities; persons belonging to minority groups or other groups at risk; and non-nationals, including stateless persons, refugees, and migrants;

f) Enjoy legal, administrative, and financial independence and freedom from undue interference into its operations and activities by the government.
Chapter 2

Establishment of an NGO

Article 6 – Establishment of the NGO through Notification

1) An NGO is established upon notifying the competent authority. Such notification occurs by submission of an application for registration in the required form to the competent authority.

2) The application for registration shall be submitted in writing and shall include the following –
   a) The official name of the NGO;
   b) The address of the main branch of the NGO;
   c) The name of at least three of the NGO’s founding members or board of directors and their contact information;
   d) The purpose of the NGO; and
   e) A copy of the NGO’s official bylaws.

3) The submission of the application for registration shall be free of charge.

4) The competent authority shall issue a registration certificate no longer than thirty (30) days after receiving the application for registration.

5) The competent authority may reject the application for registration within thirty (30) days of its submission.

6) In the event that the authority fails to reject the application for registration within the required period, the application shall be considered approved.
Article 7 – Rejection of the Application for Registration

1) Should the competent authority reject the application for registration within thirty (30) days of its submission, it shall provide the NGO with a written statement explaining the reasons for the rejection. The authority shall also specify means to correct the reasons that led to the rejection and detail the process and timeline for a re-submission of the application for registration.

2) The authority shall respond to the re-submission within thirty (30) days.

3) The application for registration may only be rejected for failure to submit it in the required form or for other violations of this Law.

4) The decision of the authority to reject the application for registration may be appealed before the competent court. The NGO may file the appeal within thirty (30) days after it received a rejection of the re-submission of the application for registration.

Article 8 – Legal Personality of the NGO

1) An NGO shall acquire the status of a legal person –
   a) Once the competent authority issues a registration certificate;
   b) Upon expiration of the 30-day period after submission or re-submission of the application for registration; or
   c) By court order.

2) Once the NGO receives legal personality it shall have the right to conduct all its activities in accordance with this Law.

3) No re-registration of the NGO shall be required. The NGO shall notify the competent authority of any change in the information provided in the application for registration.

Article 9 – Unregistered Associations

Nothing in this Law shall infringe upon the rights of individuals to establish an association on a voluntary basis and without seeking registration. Such unregistered associations shall not receive the status of a legal person. Unregistered associations may conduct their activities freely and without undue interference from the government as long as they do not violate any provisions of this Law.
Article 10 – Foreign NGOs

(1) Any foreign NGO shall be allowed to establish a branch in this country if the competent authority approves its application for registration.

(2) The foreign NGO shall submit an application for registration of the domestic branch to the competent authority providing the following documents translated into the official language of this country –
   a) The official name of the NGO;
   b) The address of the headquarters of the NGO;
   c) Certified proof of legal establishment of its headquarters showing that the NGO is legally authorized to conduct activities as a non-profit organization in its country of origin;
   d) The name of at least three of the NGO’s members of the board of directors and their contact information;
   e) The name of at least three members of the to-be-established domestic branch of the NGO and their contact information;
   f) The purpose of the NGO;
   g) A copy of the NGO’s bylaws;
   h) A report documenting the activities of the NGO in its country of origin as well as in other countries if applicable; and
   i) A list of activities that the NGO wishes to carry out in this country and reasons for the application to establish a domestic branch.

(3) The submission of the application for registration shall be free of charge.

(4) The competent authority shall issue a registration certificate no longer than sixty (60) days after receiving the application for registration.

(5) Should the authority reject the application for registration within sixty (60) days of its submission, it shall provide the NGO with a written statement explaining the reasons for the rejection. The authority shall also specify means to correct the reasons that led to the rejection and detail the process and timeline for a re-submission of the application for registration.

(6) The authority shall respond to the re-submission within sixty (60) days.

(7) The application for registration may only be rejected for failure to submit it in the required form or for other violations of this Law.
(8) The decision of the authority to reject the application for registration of a domestic branch may be appealed before the competent court. The NGO may file the appeal within 30 days after it received a rejection of the re-submission of the application for registration.

Article 11 – Name of the NGO

The name of an NGO shall not be the same as or confusingly similar to a previously registered NGO. It may not violate fundamental human rights, the constitution, or other laws applicable in this country.

Article 12 – Activities of the NGO

It shall be prohibited for an NGO to –

a) Adopt goals and conduct activities that are in violation of fundamental human rights, the constitution and other laws applicable in this country, including but not limited to goals and activities that discriminate against anyone based on gender, race, religion, ethnicity, or language or incite to violence;

b) Carry out commercial activities aimed at gaining profit for the members of the NGO or distributing finances to the members of the NGO for personal benefit; and

c) Use the NGO in order to avoid taxation.

Article 13 – Bylaws of the NGO

The bylaws of an NGO shall contain the following –

a) The official name of the NGO;

b) The purpose of the NGO, scope of its planned activities, and geographical area where it operates;

c) The names and contact details of at least three of the founding members or board of directors of the NGO;

d) The address of the headquarters of the NGO;

e) The logo, seal, or any other sign or symbol to be used by the NGO;
f) The organizational structure and hierarchy of the NGO, the election and decision-making process, including applicable quora, powers of the internal committees, and separation of powers between committees and members;

g) The terms of membership in the NGO, rules of application for membership and selection of members, and the rights and duties of the members;

h) The financial resources of the NGO and the mechanisms of their management, spending, and collection, including membership fees; and

i) The process of modification of the bylaws and circumstances of the legal situation of the NGO, including the decision of dissolving, merging, and partitioning.

**Article 14 – Registry of NGOs**

1) The competent authority shall keep a registry of NGOs, NGO networks, and foreign NGOs with branches in this country. This register shall contain the name of the NGO, address of its headquarters and/or local branch, its purpose, and any sanctions or penalties taken against it.

2) The public shall have the right to access the NGO registry.
Chapter 3

Membership in an NGO

Article 15 – Requirements for Membership in an NGO

1) Every citizen or foreign individual who legally resides in this country and achieves the age of majority shall have the right to establish or be a member of an NGO.

2) Minors may join an NGO but may not take part in the decision-making process.

3) Legal persons shall have the right to establish an NGO or a network of NGOs.

Article 16 – Membership of Foreigners in an NGO

The number of foreign members in an NGO shall not exceed 40%.

Article 17 – Terms of Membership

1) An NGO may set its own terms and requirements for membership, including the rights and obligations of its members, in accordance with this Law.

2) The NGO may determine whether there are any membership fees, salaries for paid employees, and compensation for members of the decision-making body.

Article 18 – No Personal Liability for Obligations of the NGO

Members, founders, employees, and directors of an NGO shall not be personally liable for the obligations of the NGO. An NGO’s creditor may not seek repayment for the debts of the NGO from their personal funds.
Chapter 4

Rights and Duties of the NGO, including Organization and Funding

Article 19 – Board of Directors

1) The founding members of an NGO shall select the members of the board of directors within thirty (30) days of acquiring the status of a legal person. The board of directors shall be selected independently by the members of the NGO and without requiring approval of the government or competent authority.

2) The NGO shall determine the selection process, number of the members of the board of directors, and their functions and powers in its bylaws.

Article 20 – Decision-Making Process

The NGO’s bylaws shall determine –

a) The powers of the board of directors and other internal committees of the NGO and the separation of powers between committees and members;

b) The manner in which members of the NGO are invited to official and unofficial, ordinary and unordinary meetings;

c) The frequency of meetings of the board of directors and the general assembly; and

d) The decision-making process, including the quorum required to pass decisions by the meetings of both the general assembly and the board of directors.
Article 21 – Relationship with the Government

1) The government shall strengthen the role of civil society in the country, preserve its independence, and support NGOs to achieve their legitimate purposes with peaceful means.

2) NGOs shall be free to conduct their activities without undue government interference. They shall be able to hold meetings without attendance of government representatives and without prior notification.

3) The financial records of an NGO may be accessed only in accordance with this Law. It shall be prohibited to freeze the assets or bank account of an NGO unless in circumstances prescribed by this Law.

Article 22 – Records of the NGO

1) An NGO shall keep records of –
   a) Names and contact information of its members;
   b) Decisions made by the board of directors and general assembly;
   c) Assets and financial accounts, including revenues and expenses; and
   d) Overview of conducted activities, including type, duration, financing, and scope for the duration of its existence.

2) To assure transparency and accountability of its financial records, the NGO shall conduct an internal auditing process through a registered accountant of their choosing.

Article 23 – Reporting Obligations of the NGO and Auditing

1) An NGO shall report to the competent authority once a year. It shall only be required to report brief overviews of the activities it conducted and of its financial resources.

2) The competent authority shall have the right to audit an NGO’s accounts if it believes that they are not accurate. The auditing body shall inform the NGO thirty (30) days before beginning the auditing process. It may not disclose information about the NGO to entities other than the concerned authority.
Article 24 – Funding of the NGO

1) An NGO shall have the right to seek and receive funding for its activities. This shall include the right to –
   a) Collect membership fees;
   b) Receive revenue through the activities and projects carried out by the NGO;
   c) Acquire property/real estate;
   d) Invest the resources of the NGO;
   e) Receive donations, grants, wills, gifts and endowments from individuals, governmental and non-governmental organizations; and
   f) Receive donations, grants, wills, gifts and endowments from foreign entities in accordance with the provisions of this Law.

2) The NGO shall use any foreign funding in accordance with its purpose and bylaws.

Article 25 – Funding through Foreign Entities

1) An NGO may seek funding through foreign entities to support its activities. The NGO shall not be required to submit a notification to the government for seeking foreign funding.

2) If an NGO wishes to receive donations, grants, wills, gifts, or endowments from foreign entities, it shall notify the competent authority about the value and source of the funding as well as the activities and items on which it is planning to spend it.

3) The competent authority may object to the receiving of foreign funding within thirty (30) days of the submission of the notification. It shall provide the NGO with a written statement explaining the reasons for the objection. It may object only if the receiving of foreign funding would violate this Law.

4) In the event that the authority fails to object to the foreign funding within the required period, the receiving of foreign funding shall be considered approved.

5) The NGO shall use the foreign funding in accordance with its purpose and bylaws.
Article 26 – Economic Activities

1) The NGO shall be allowed to conduct economic and fundraising activities that further its goals without prior approval or license. There shall be no limitations on the number of fundraising events conducted by the NGO.

2) The NGO shall be allowed to participate in biddings organized by the public authorities.

3) The NGO shall have the right to own real-estate and dispose of it.
Chapter 5

Benefits for NGOs

Article 27 – Preferential Treatment and Financial Incentives

1) NGOs shall receive preferred treatment in the taxation of their revenues. They shall receive preferred treatment in the taxation of buildings and real-estate owned.

2) NGOs shall be provided with financial incentives to conduct their activities. They shall be able to deduct purchases made in accordance with their purposes and bylaws from their taxable income. NGOs shall receive special offers for the consumption of electricity, water, natural gas, and other utilities necessary for their management.
Chapter 6

Merger and Dissolution

Article 28 – Merger and Networks of NGOs

1) NGOs with a similar purpose may merge and form a new NGO with its own bylaws in accordance with this Law. Upon issuance of the registration certificate, the new NGO obtains its legal personality and becomes the successor to the merged organization with regards to rights and obligations.

2) NGOs with a similar purpose may affiliate or establish a network of NGOs. Such network may enact its own bylaws, determining membership, organization, and distribution of powers.

Article 29 – International Cooperation between NGOs

1) A domestic NGO may freely cooperate and correspond with a foreign NGO or international organization. Its members may attend international meetings without seeking prior approval or being required to notify the government.

2) Domestic NGOs may affiliate or form a network with a foreign NGO or join an international network of NGOs.
**Article 30 – Voluntary Dissolution**

1) An NGO may be dissolved following a voluntary decision of its members.

2) If the members of an NGO have decided on its dissolution, the board of directors shall issue a decision to appoint a liquidator in a period of maximum thirty (30) days after the decision to dissolve the NGO has been made.

3) The liquidator shall manage the NGO for the amount of time necessary for the liquidation process. The liquidator shall confiscate all resources and assets of the NGO and take care of the NGO’s obligations for the purposes of liquidation and paying its debt and obligations. The debt and other financial obligations shall be met according to the following priorities –
   
   a) The cost of the liquidation process and the liquidator’s fees;
   
   b) The amounts owed by the NGO to its employees;
   
   c) The amounts owed by the NGO for the public treasury;
   
   d) The debt owed by the NGO to non-members.

**Article 31 – Dissolution by a Court**

1) A court may order the dissolution of the NGO if it violates this Law.

2) The case may be filed by –
   
   a) The competent authority;
   
   b) A member of the NGO.

3) If the court order of dissolving the NGO has been issued but a liquidator has not been chosen within thirty (30) days, the competent court shall hire a liquidator.
Chapter 7

Sanctions for NGOs

Article 32 – Sanctions for Violation of the Law

An NGO may be sanctioned for violating this Law. Sanctions shall be limited to a fine or dissolution of the NGO by court order. No member of the NGO shall be punished with imprisonment for any activities in direct relationship to the work of the NGO.

Article 33 – Suspension of Activities

1) If an NGO violates any provision of this Law, the competent authority may decide to temporarily suspend its activities.

2) The NGO shall be given a written statement detailing the reasons for the suspension and an explanation and timeframe of no less than ten (10) days to correct the violation. If the violation is not corrected within the given timeframe, the NGO’s activities may be suspended by the competent authority for no more than thirty (30) days.

3) The NGO may appeal the suspension decision before the competent court. The case shall be brought before the court within thirty (30) days of being notified of the suspension.

Article 34 – Dissolution of an NGO by Court Order

If within the given timeframe the NGO does not correct the violation, the competent authority may bring the case to the competent court. The court may decide –

a) Measures for the NGO to resume its activities; or

b) Dissolution of the NGO.
Chapter 8

General and Final Provisions

Article 35 – Transitional Rule

NGOs that were established before the enactment of this Law shall modify their bylaws to bring them in accordance with this Law within one year of its implementation.

Article 36 – Applicability of this Law

The provisions of this Law shall not be applicable to political parties, labor unions or associations, societies, or foundations that were established according to specific laws.

Article 37 – Entry into Force

This Law shall enter into force on the date of its publication in the Official Gazette.