

Summary of the amendments stipulated by

Law No. 70 of 2017

Promulgating the Law of Associations and Other Foundations Working in the Field of Civil Work

This Summary was prepared to highlight the major differences between the current law and the abolished law as follows:

- 1- The Law No. 70 of 2017 promulgating the law of associations repeals Law No. 84 of 2002.
- 2- This Law contains (89) articles, in which the Legislator has defined how the NGOs work and how they are funded; in addition the Law imposes penalties against violators who receive transfers from outside the country. However, the abolished law only contains (76) articles.
- 3- The Executive Regulation of the Law: The Executive Regulation has not been issued to date, despite the fact that, according to Article 6 of the Issuance Articles, the executive regulation shall be issued within two months from the law's date of publication on 24 May 2017. Hence, the Executive Regulation of the abolished law no. 84 of 2002 is still enforced until the issuance of the new Executive Regulation and all the associations and foundations could accordingly be rectified.
The current law has referred the issuance of the Executive regulation to the Prime Minister, while the abolished law has referred its issuance to the Minister of Insurance & Social Affairs.
- 4- The new law adds two chapters, that were not set out in the abolished law, related to the organization of foreign organizations; which are: (a) Chapter 5 (Foreign Non-Governmental Organizations) and (b) Chapter 6 (The National Regulatory Agency For The Work Of Foreign Non-Governmental Organizations).
- 5- The Issuance Articles have stipulated that the existing boards of directors of civil associations, foundations and federations established pursuant to provisions of law No. 84 of 2002, and their executive and administrative bodies, shall continue to operate until they are reformed and rectify their status pursuant to this law within one year of its effectiveness.
- 6- The current law has set out a specific chapter for definitions to clarify the meanings of words and expressions used in the law; e.g. (Civil Work, Association, Public Benefit Association, Foundation, Foreign Non-Governmental Organization, ...).
- 7- The current law has permitted for non-Egyptians to join membership of an association or its board but they may not exceed 10 percent of the number of members. Although, the abolished law did not indicate a specific percentage for such membership.

- 8- The current law has required the necessity for an association to include its summarized articles of association in the associations' database, attached to the following documents:
- a. Four copies of the articles of association of the association signed by all founders.
 - b. Two copies of the internal regulations that regulate financial and administrative affairs of the association and its workers in accordance with the guiding model sample enclosed with the Executive Regulations of this law.
 - c. The criminal status sheet of every founding member.
 - d. A list of the persons selected for leadership and membership of the first board of directors from the founding group.
 - e. An official certified document confirming the occupancy of the association's premises.
 - f. A proof of payment of a fee not exceeding 10 thousand pounds for registering the association in the registry of the Administrative Entity. These fees shall be transferred to the Civil Associations and Foundations Support Fund. The Competent Minister defines the share of the General Federation of these fees.
 - g. The rules and conditions of voluntary work in association activities, if any, in addition to the rights and duties of volunteers and means of their protection.
 - h. Identity of the representative of the group of founders in the establishment procedures.
 - i. The website of the association and its email address, if applicable.
- 9- The current law has specified some actions that are prohibited for any association to perform, like the following actions:
- a. Calling for discrimination between citizens on the bases of sex, race, color, language, religion or belief, or any other activity promoting racism, incitement of hatred or any other causes that run against the constitution and law, or calling for the violation or non-enforcement to laws and regulations.
 - b. The participation in funding or promoting for electoral campaigns for any candidate in presidential, parliamentary or local elections, or partisan

propaganda campaigns. Associations may not provide financial support to parties, partisan or independent candidates or nominating any candidates in any elections under the name of the association.

- c. Granting any scientific or professional certificates.
- d. Any other activities, which practicing requires a license from a government entity before obtaining that license.
- e. Conducting opinion polls and publishing or making available their results. Conducting field researches or disclosing their results before presenting them to the Agency to make sure of their integrity and neutrality.
- f. Concluding any agreements of any form with any foreign entity inside or outside the country before obtaining the approval of the Agency as well as any amendments to such agreements.
- g. Calling for the support or funding of violence or terrorist organizations.

10- It is not permitted, under the current law, to assign any workers from the Concerned Ministry or its affiliated directorates or social units or any other public authorities that undertake the supervision, guidance, or control over the associations to work in civil associations and foundations subject to this law. It is permissible to set, in the Executive Regulations, any necessary sectors that are exempted from this ban.

11- The current law has allowed the Competent Minister, following an approval from the Agency, to authorize an association to open branches outside the Arab Republic of Egypt following the conditions prescribed in the Executive Regulations of this law. In this case, the provisions related to regional organizations are applicable.

12- The Legislator has defined, in Section 2 of the current law entitled “Purposes, Rights, and Obligations of Associations”, the articles from 21 to 31 that had not been stipulated in the abolished law.

13- The Legislator has stipulated some provisions in the current law related to the received donations and the necessary approvals for this as follows:

Whereas, **Article 23** of the law states:

“Without prejudice to the provisions of the counterterrorism and anti-money laundering laws, and to achieve its purposes and financial sustainability, an association may receive cash funds or collect donations inside the Republic from Egyptian natural or legal persons. These funds shall be exclusively deposited in its bank account and association records shall be updated accordingly. The association shall allocate and spend these funds for the purposes for which they were raised and shall present periodic statements of account.

It is a condition to notify the Administrative Entity by the receipt of these funds within the deadline provided for in the Executive Regulations.

The prior consent of the Administrative Body must be obtained thirty working days before receiving or collecting donations. The Administrative Entity shall notify the Agency.

The Executive Regulations of this law shall set forth the procedures and conditions required for licensing the raising of different forms of donations, as well as necessary conditions for each fundraising method as required by public interest. The Executive Regulations define the controls and procedures for the receipt of in-kind funds.

In all cases, it is impermissible to accept funds exceeding ten thousand pounds in cash. Such funds must be paid by a check or a bank deposit through a bank subject to the control of the Central Bank.”

As well, **Article 24** states:

“Without prejudice to the provisions of the counterterrorism and anti-money laundering laws, an association may receive funds, donations and grants from Egyptian or foreign natural or legal persons outside the country, or from foreign natural or legal persons inside the country, provided that these funds are deposited in its bank account and its registers are updated accordingly. The Agency must be notified within thirty days of the receipt of funds in the bank account of the association. The Agency may object to the receipt of funds within the sixty working days following the date of notification.

The association undertakes not to spend donated funds within the sixty-day period. If the Agency does not respond within the stated period, such inaction is considered as a disapproval. The association may not send or transfer funds of any kind to persons or organizations abroad except after notifying the Agency and obtaining a written approval thereto. This excludes the purchase of books, scientific, technical and artistic bulletins and journals and subscription fees.

The Executive Regulations shall define the rules and procedures for the receipt of these funds, effects of disapprovals and notification procedures, supporting data and documents.”

14- The current law has specified, in its section 3 entitled “The General Assembly”, that the General Assembly is formed of operating members who spent no less than ninety days in membership and fulfilled all their obligations pursuant to the articles of association of the association. While the abolished law has specified that, the operating members should have spent no less than 6 months in membership. In addition, the current law has referred to the articles of association of the Association in regard to the procedures of holding ordinary and extraordinary meetings of the general assembly; that shall be formed in accordance with the Executive regulation; while the abolished law has defined this in details in the law itself.

15- The current law has provided, in its Article (33), that the Board of Directors shall be composed of an odd number of members not less than seven and not more than fifteen pursuant to the articles of association. Members shall be elected by the General Assembly for a term of four years. The first Board of Directors shall be appointed by the founders for a term of two years. Though, the abolished law has

- stipulated in its Article 32 that: “Each association shall have a BOD composed of an odd number of at least five and at most fifteen directors as may be decided by the statute. The directors shall be elected by the general assembly for a term of six years. One third of the directors shall be reelected by lot on a biennial basis to replace directors whose membership has terminated. In associations involving foreign members, the percentage of Egyptian directors shall be at least similar to their percentage to total members of the association. The first BOD shall be appointed by the founders’ assembly for a period of maximum three months.”
- 16- The current law has specified the necessity of notifying the Administrative Entity of the names of candidates for membership of the Board of Directors in the association premises within the seven days prior the elections date. The Administrative Entity, and whoever concerned, may notify the General Assembly within fifteen days following the display or notification of the list, as the case may be, by any objection on members not meeting the conditions. While the abolished law stipulated that, the administrative entity had only three days to notify the Association and whoever concerned has seven days.
 - 17- The current law has reduced the period in which the Board of Directors shall notify the Administrative Entity by decisions passed by it or the General Assembly within fifteen days of issuance instead of thirty days.
 - 18- The current law has required that the temporary Board of Directors shall invite the General Assembly for convening within one year as of the date of appointment to elect a new board of directors; while the abolished law has required that this invitation shall be done within sixty days.
 - 19- The current law has defined the authority competent of dissolve the Associations; which is the competent court, based on a request of isolation of the Board of Directors from the Administrative Entity or whoever concerned; while the abolished law had determined that the decision of dissolution of the Association is left to a pre-decision of the Minister of Social Affairs after taking the opinion of the general federation and inviting the general assembly. In addition, the current law has stated that it is prohibited for whomever it is proven, based on a judicial verdict, to be personally liable, from among members of the dissolved Board of Directors for the violations that led to termination of the board or dissolution of the association, to nominate himself for the membership of another civil association for a period of four years as of the date of issuance of the termination or dissolution decision.
 - 20- The current law has authorised in its Chapter Three entitled “Public Benefit Associations” to add the description of “public benefit” to any association aiming to achieve a public interest upon or after its establishment may acquire the public

benefit status via a decree from the Prime Minister; while the abolished law has authorized this via a presidential decree.

- 21- The current law has authorized the merger between public benefit associations and other associations not having public benefit status only by a decree from the Prime Minister; while the abolished law has authorized by a presidential decree.
- 22- The current law has defined that the privileges of public benefit associations shall be through a decree from the Prime Minister, not a presidential decree as required by the abolished law.
- 23- The current law has cancelled the section related to the accommodation.
- 24- The current law has defined, in its Chapter Four entitled the “National Foundations”, the sum of money allocated for the purpose of achieving its establishment and the size of envisaged activities, that should not be less than fifty thousand EGP.
- 25- The current law has required, in its Chapter Four entitled the “National Foundations”, that the board of trustees should be composed of no less than five members and not exceeding fifteen members to be appointed by the founder or founders; although the abolished law has required that the board of trustees should be composed of three members at least.
- 26- The current law has cancelled all articles related to the national foundations stipulated in the abolished law.
- 27- The current law has establish a “Civil Associations and Foundations Support Fund”. The aim of the Fund is to provide financial support for the continued activities of civil associations and foundations established according to Article 71 of Law no. 84 of 2002 (the abolished law). Moreover, the current law has defined the composition of the Fund Board of Directors whereas it will be chaired by the Competent Minister.
- 28- The current law has combined in its Chapter Eight the General Federation, Regional & Specialized Federations.
- 29- The current law has stipulated that each regional federation shall have a Board of Directors composing of fifteen members for a term of four years. The members shall be elected by the General Assembly.
- 30- The current law has stated that the management of the General Federation is assumed by a Board of Directors composing of twenty-seven members (or

according to the number of provinces in the Republic) elected by its general assembly for a term of four years and not of thirty members for a term of three years as stipulated by the abolished law.

- 31- The Legislator has stipulated, in Chapter Nine, the sanctions of a jail sentence and a fine to whoever violates the provisions stated in the law. Additionally, Article 89 of the current law has added a new article, that was not stipulated in the abolished law, concerning the punishment of the person in charge of actual management of the legal person with the same punishments for the same acts committed in violation of the provisions of this law whenever his knowledge of these acts is proven and that his failure to perform his duties facilitated the committing of the crime.