



“Empowering Civil Society and the Legal Profession” project

The workshop:

**“Towards a Balanced Executive Regulation for the Law of
Associations”**

“Towards a fair Executive Regulation”

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Despite that the Law of Associations in general needs to be drastically amended to become consistent with the international agreements signed by Egypt, but its executive regulations can be amended to help enforcing the law in a better way.

We believe that calling for limited amendments might be easier than introducing unknown amendments to the law, at least for the time being, as political balances might interfere to make those amendments not in favor of civil work.

The proposed amendments addressed 18 articles out of 180 by 10%. These are mainly the articles related to registration, receiving funds, joining local and international networks, dissolving associations, forming qualitative unions and others. We have tried to make those amendments consistent with the spirit of the legislation and its provisions.

We believe that these amendments might obviate for the need to amend the Law of Associations, even for a while. However, this law should be amended in any case, provide that it is a radical change derived from a philosophy that recognizes the freedom of the civil society and aims to free it from the control of by the executive branch.

We made the amendments which we believe to be important, however, we did not forget that discussions can enrich these amendments to make them more effective, and reveal new articles that need to be amended.

The amendments can be summarized as follows:

1. Concerning the establishment; omitting the fifth paragraph of Article 20, which demanded the inclusion of occupancy deed of the societies premise with the establishment papers, as the law only requires that the premises is appropriate.
2. In Article 23 we omitted the word “**fulfilled**”, and thus the passage of sixty days after submitting the papers became sufficient to acquire the Association the judicial personality. This is meant to prevent the procrastination that the administrative body used to do, under the pretext that the registration papers are unfulfilled, and hence accepting the papers became a proof, in favor of the founders, that they those papers are fulfilled and the duration is not affected by any shortage in the papers. We have also omitted the word fulfilled from Articles 26 and 28 for the same reason.
3. In Article 42, we made the decision of the dispute settlement panel binding to the Ministry of Social Solidarity.
4. In the fourth paragraph of Article 24, we omitted the phrase "or exercising an activity towards that end" as that phrase is unneeded linguistically and allows the administrative body to exert pressure on associations.

5. In the third paragraph of Article 48 we omitted the phrase “or work in more than one field of society development,” as it makes the work of the association in more than one field subject to the approval of the administrative body. Furthermore, we omitted the whole fifth paragraph, as even if the association performed an activity out of its specialization it stays subject to the supervision of the same department and there is no need for double supervision.

6. In Article 55 we omitted the right of the Ministry in approving the accession of the association to networks, as this violates the law, as the ministry has the right only in case of rejection and the association is considered to be part of the network starting from the date it decided to join this network till the Ministry object.

7. In Article 56 we omitted the phrase "as prescribed in articles (3, 4, and 5) of the present statute” which opens the door for associations to receive funds from governmental foreign bodies that have headquarters in Egypt according to the agreement signed therewith and only by notifying the concerned administrative quarter, for example the USAID and the EU. Before omission, the paragraph specifies non governmental foreign organizations only and the rest of the organizations should be by the permission of the Minister.

8. In Article 58 we granted the society the right to deal with the funds received from abroad and spend them on the project that they are allocated for, before obtaining the approval of the Minister, but under its responsibility and if the ministry refused the grant the society should stop the project, and return the remaining funds to the donor. This would urge the administrative body to make decide fast, as the delay reached a whole year in some cases.

9. In Article 63 we committed the administrative body to declare the date of inspection, which shouldn't exceed one working day per month and we prevented the inspection of the same society more than once.

10. In Article 81 we added a paragraph that considers all the procedures for nominating for the membership of the board of directors valid, till a ruling from the Administrative Court final it is ruled decided otherwise.

11. In Article 87, we added a paragraph that cancels the right of the Minister to appoint a delegate to the society if the number of the members of board of directors is insufficient for holding meetings, and delegated the rest of the members to call for elections to complete the number within a certain period.

12. In Article 91, regarding the dissolution of the society, the article was amended to make the decision of the minister to isolate the board of directors non effective till the Administrative Court rule by approving it, or if it is not challenged within the defined time by a final conclusive ruling.

13. In Article 97 we returned to the original rephrasing of the Article before the Minister changed it by the Ministerial Decree No.425/2007, which make the decision of dissolution effective only after exhausting all methods of appeal.

14. In Article 116 we made the capital of the institution 5000 pounds, after it wasn't specified in the Regulations.

15. In Article 46, we added the phrase “**or more**” to open the door for establishing more than one qualitative union at the level of the Republic.

Article before amendment	The proposed amendment
<p><u>Article (20):</u> The representative of the founders group shall submit to the concerned administrative quarter a request for recording the summary of the society's statutes on form number three No. (3) as attached to the present statute, to which the following documents shall be attached:</p>	
1-	
2-	
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5- Occupancy deed of the society's premises (ownership – lease – usage - allocation) providing the document's date shall be authenticated	<i>Omitting paragraph five of Article 20</i>
6-	
<p><u>Article (23):</u> The judicial personality of the society shall be established from the date of recording the summary of its statutes in the special register provided therefore with the concerned administrative quarter, or by force of law with the lapse of sixty days from the date of submitting the request for recording the fulfilled summary, whichever is closer.</p>	<i>We omitted the word “fulfilled” from the phrase” or by force of law with the lapse of sixty days from the date of submitting the request for recording the fulfilled summary.”</i>
<p><u>Article (24):</u> The concerned administrative quarter shall refuse, with substantiated decision, the</p>	



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request for registration of the society's summary of statutes if it transpires to it that the society's purposes include the exercise of one of the following activities:	
1-	
2-	
3-	
4- Targeting the realization of profits or exercising an activity toward that end. Following trade controls for the realization of a yield that contributes to fulfilling the society's purposes shall not be considered an infringing activity.	<i>Omitting the phrase "or exercising an activity towards that end"</i>
<u>Article (26):</u> The concerned administrative quarter shall notify to the representatives of the group of founders, the decision refusing the request for recording the summary of the society's statutes, as issued according to the provision of article (24) of the present statute. The notification shall be sent by registered letter with acknowledgment of receipt within sixty days from the date of submitting the fulfilled request.	<i>The word "fulfilled" should be omitted from the article.</i>
<u>Article (28):</u> With the exception of the cases prescribed in article (11) of the law and article (24) of the present statutes, the concerned administrative quarter shall record the summary of the society's statutes in the special register within sixty days from the date the representative of the group of founders submits the registration request duly fulfilled.	<i>The word "fulfilled" should be omitted from the text of the first paragraph of the article.</i>
The concerned administrative quarter's obligation to record and to establish the society's judicial personality shall not derogate the administrative quarter's right to objecting to what it regards as constituting a violation of the provisions of the law in the society's statutes or in connection with the founders. In this case, the administrative quarter shall notify the causes of its objection to the society by	



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<p>registered letter with acknowledgment of receipt, to remove the causes of the objection within fifteen (15) days from the date of notification.</p> <p>If the society fails to remove the causes of the objection within the period defined therefore, the concerned administrative quarter may then submit the matter to the committee prescribed in article (7) of the law.</p>	
<p><u>Article (42):</u> The committee's decision¹ shall be mandatory and enforceable if accepted by the two parties.</p>	<p><i>The decision of the committee is mandatory for the Ministry of Social Solidarity and it does oblige the other parties in the conflict unless they accept it.</i></p>
<p style="text-align: center;">Part-3 Purposes, Rights and Obligations of the Associations</p>	
<p><u>Article (48):</u></p>	
<p>In the cases where the association desires to add new fields that had not been included in its statutes, or work in more than one field of society development fields, it may submit a request to the concerned administrative quarter which shall issue its decision in respect thereof within thirty days from the date of submitting the request, after consulting the view of the concerned federation.</p>	<p><i>The phrase "or work in more than one field of society development," should be omitted.</i></p>
<p>If the association exercises any of its activities beyond the limits of the Governance in which its head office is located, it shall notify the Social Affairs Directorate in the governorate where it exercise the powers prescribed in the law and the present statutes with regard to the activities undertaken within the areas of their jurisdiction.</p>	<p><i>This paragraph should be omitted.</i></p>
<p><u>Article (55):</u></p>	

¹ The disputes settling committee



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1-	
2-	
3-	
The Ministry of Social Affairs shall accept the joining, contribution or the affiliated, upon its notification. If sixty days have lapsed without a written refusal of it, the society may complete its procedures.	<i>The Ministry of Social Affairs can refuse the joining within sixty days of notifying it, provide that this refusal is justified.</i>
<u>Article (56):</u>	
It shall also have the right to receive donations from foreign organizations or bodies authorized to exercise their activities in Egypt, according to the provisions of the agreement signed therewith, as prescribed in articles (3, 4, and 5) of the present statute, providing the associations shall notify the concerned administrative quarter of the amount and value of the donations and the donor quarter.	<i>The following phrase should be omitted as prescribed in articles (3, 4, and 5), and the rest of the Article should continue</i>
<u>Article (58):</u>	
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In the cases the association receives funds from abroad- whatever their nature- before obtaining permission from the Minister of Social Affairs – they shall be reserved pending issue of the permission. Reserving the funds shall take place by depositing them in a special account in an approved bank in Egypt, while the in-kind property shall be reserved in the manner benefiting its nature. The association may request their temporary admission with the approval of the Ministry of Social Affairs, in which case the procedures prescribed in article (51) of the present statute shall apply.	<i>The paragraph should be amended as follows “in the cases the association receives funds from abroad- whatever their nature- before obtaining permission from the Minister of Social Affairs – the association has the right to deal with the fund and spend from them on the purposes to which they are allocated under the responsibility of the boards of directors, or they might be kept till the permission is issued. Reserving the funds shall take place by depositing them in a special account in an approved bank in Egypt, while the in-kind property shall be reserved in the manner benefiting its nature. In case of rejection, the association should</i>



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	<i>return back the remaining funds to the donor and closes the project.</i>
<u>Article (63)</u>	
	<i>A paragraph should be added stating: “the association is notified one week before the inspection, and it should be notified of the documents to be inspected and any association mustn’t be inspected more than once per month and the inspections shouldn’t exceed one day.</i>
<u>Article (81):</u>	
	<i>A paragraph should be added stating: “the nomination procedures are considered to be valid unless the Administrative Court rules that the elimination decision is right. The decision is applied from the date of the issuing the ruling.</i>
<u>Article (87):</u> If the number of the board members is insufficient for its valid meeting, and the statutes is void of a provision treating this situation, the Minister of Social Affairs may appoint among the remaining members or others an authorized mandatory having the powers of the board of directors, with the following conditions:	<i>The following should be added; “If the number of the board members is insufficient for its valid meeting, and the statutes is void of a provision treating this situation, the other board members have to call for holding a general assembly meeting to select the remaining number within a month from the date the number of the board members became insufficient for its valid meeting, or else.....and the article continues.</i>
1-	
2-	



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3-	
<u>Article (92):</u>	
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The Minister of Social Affairs may issue a substantiated decision removing the board of the association, suspending its activity, abolishing the violating activity, or removing the cause of the violation, instead of dissolving the association in the cases referred to in the first clause, and in the following two cases:	<i>The following should be added: “the decision is not applied unless it is not challenged during the dates allocated for appealing administrative decisions or if the ruling supporting it becomes final and decisive.”</i>
1-	
2-	
<u>Article (95):</u>	
	<i>The following should be added: “the decision to dissolve the association, remove its board of directors is not executed, except after the Supreme Administrative Court issues final rulings in the appeals filed by the members of the board or the interested parties”</i>
<u>Article (97):</u>	
The provision of the previous clause shall apply if the association is dissolved by virtue of a decree from the Minister of Social Affairs according to the provisions of article (42) of the law, once the decision becomes final by non-appealing against it before the courts, or by confirming the decision issued for dissolving the association by virtue of a final ruling in case of appealing against it ² .	<i>A final decisive ruling should be added.</i>

² Note that this article was negatively amended by the Minister of Social Solidarity with the Ministerial Decree No.425/2007 that was published on July 31, 2007, to be “once the decision is issued dissolving the association according to the provisions of articles (41, 42) of the law, those in charge of its management and its employees shall set out to deliver its liquid and movable funds, real property, and all documents, registers, and papers



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Part- 8	
Non-governmental Organizations	
<p><u>Article (116):</u> The non-governmental organization shall be established by appropriating a property for a specified or unspecified period for the realization of a non-profit purpose. The appropriated property shall be sufficient and suitable for realizing the purposes of the non-governmental organization.</p>	<p><i>The amount 5000 pounds should be added.</i></p>
<p><u>Article (146):</u> A single specific federation may be formed at the level of the Republic. Specific federations may also be established for the same activity at the level of each governorate, providing the number of members of each of these federations shall not be less than ten of the non-governmental associations and organizations operating within the bounds of the governorate.</p>	<p><i>The word “or more” should be added, so the provision becomes as follows: “A single specific federation or more may be formed at the level of the Republic.....etc”</i></p>

concerning the association, upon request. Neither they, nor the quarter with which the association’s funds and property are deposited and its debtors shall dispose of any of the association’s affairs, property, or rights except by virtue of a written order from the liquidator. The dissolution term is set according to the provisions of articles (41, 42) of Law No. 84/2002 that sets this term to be three months that can be renewed for another term only once. The liquidators must submit their report once this period ends; even if they didn’t finish their work, however they should justify that. In case the liquidators didn’t accomplish their mission within the defined term due to personal reasons they should be penalized.