

Federal Law No. 2
Issued on 21/1/2008
Corresponding to 13 Muharram 1429 H.

CONCERNING ASSOCIATIONS AND DOMESTIC INSTITUTIONS OF PUBLIC INTEREST

Abrogating:
Federal Law no. 6/1974 dated 10/6/1974

We, Khalifah Bin Zayed Al Nahyan, President of the United Arab Emirates State, Pursuant to the perusal of the Constitution; and Federal Law no. 1 of 1972 regarding the Jurisdiction of Ministries and the Powers of the Ministers, and the amending laws thereof; and Federal Law no. 12 of 1972 regarding the Organization of Clubs and Associations Working in the Field of Youth Care; and Federal Law no. 6 of 1974 regarding the Associations of Public Interest, and the amending laws thereof; and Federal Law no. 25 of 1999 on the General Authority of Youth and Sports Welfare; and Acting upon the proposal of the Minister of Social Affairs, the consent of the Council of Ministers and the Federal National Council and the approval of the Federal Supreme Council, Have promulgated the following Law:

PRELIMINARY TITLE
DEFINITIONS

Article 1

In the implementation of the provisions hereof, the following terms and phrases shall have the meanings assigned for each of them unless the context requires otherwise:

State: The United Arab Emirates State.

Ministry: The Ministry of Social Affairs.

Minister: The Minister of Social Affairs.

Association: The Association of Public Interest.

Union: A gathering comprising more than one association of public interest.

Board: The board of directors of the association or the union.

Member: Member of the association.

National Institution: Every institution formed of one or more founders established for a specified or unspecified period, and such through the allocation of money for the achievement of the purposes mentioned in Article 2 hereof without seeking material profit.

Article 2

In the implementation of the provisions of the present Law, the association of public interest shall be defined as every group permanently organized for specified or unspecified period. It shall be composed of natural or juridical persons to achieve social, religious, cultural, educational, technical, feminine, creative or artistic activity or to render humane services or achieve any of the charity objects or other caring purposes whether through financial or moral aid or technical expertise. It shall seek in all of its activities to participate in these acts for the public interest only without obtainment of material profit. The crucial factor for the determination of the association

goal is the primary object of the establishment thereof.

TITLE ONE

THE ESTABLISHMENT OF THE ASSOCIATION

Article 3

The establishment of the association shall be subject to the fulfillment of the following conditions:

- 1 - The number of the founders must not be less than 20 members. The Minister may exempt from such condition provided that the number of founders reaches five members at least.
- 2 - The member must not be below eighteen years of age.
- 3 - The member must be well reputed and of good conduct, and not previously sentenced to imprisonment in a felony or misdemeanor against honor or trust unless he is rehabilitated.
- 4 - All members, whether founders or employees, must be citizens of the United Arab Emirates State.

The said conditions shall apply, to the extent possible, to associations composed of juridical personalities.

Article 4

Founders shall convene to set down the articles of association that include the following data:

- 1 - The name of the association, derived from the objective thereof, the seat and scope of activity thereof in the State, provided that they do not choose a name that may confuse it with another association within the scope of activity thereof.
- 2 - The objectives of the association.
- 3 - Membership requirements and types, acceptance procedures and forfeiture thereof, and the rights and duties of the members.
- 4 - Method of constitution of the board of directors, the powers and work regulation thereof.
- 5 - Organization rules, bases and competences of ordinary and extraordinary general assemblies, the summoning procedures and requirements for valid meetings thereof.
- 6 - Rules of amendment of the articles of association, the establishment of branches or centers associated thereto, or the merger thereof with other associations, in addition to the rules of enrollment and subscription in associations, organizations and conferences outside the State.
- 7 - Association resources, manner of exploitation and disposition thereof, the method of controlling the expenditure thereof, the beginning and end of the fiscal year of the association, the system of credit preservation and value thereof to face the expedite expenditures, and the rules of fundraising.
- 8 - Conditions of voluntary dissolution of the association, dissolution rules and the destiny of the funds thereof.

The Ministry shall prepare a form of the articles of association to be used as guidance.

Article 5

The membership in the association shall be of three kinds:

Active membership - Affiliated membership - Honorary membership.

Active members: The founding members and every State national joining the association in conformity with the articles of association thereof.

Affiliated members: Every non - national residing in the State and affiliating with the association in accordance with the articles of association thereof.

Honorary members: Persons eligible to be granted this membership from among persons of high rank and opinion who have rendered honorable services to the country or the association or who carry out outstanding activities in the field of public services and voluntary work.

Article 6

Founders shall elect from among them a temporary committee, which shall select from among its members a delegate who shall represent it in carrying out the declaration procedures set forth herein.

The delegate shall submit to the competent authority in the Ministry a declaration application of the association in three copies to which are enclosed the following papers:

- 1 - The articles of association signed by the founding members and an abstract thereof.
- 2 - The Minutes of the meeting of the constituent members signed by the attendees.
- 3 - The Minutes of the meeting of the temporary committee.
- 4 - List of the full names of founders, age, profession, residence thereof, and copies of the extract of registration or identity cards thereof.
- 5 - The decision of the temporary committee to commission one of the members thereof to submit the declaration papers.

The Ministry shall set a register wherein such applications shall be registered by successive numbers; the Ministry shall give a receipt to the delegate of the date of submission of said application.

Article 7

The Ministry shall examine the application and issue, within sixty days from the date of submission thereof, a decision of approval or refusal of the association declaration with statement of the refusal grounds, of recommendation to carry out amendments it deems necessary to the articles of association thereof, or of the referral of the application to other competent authorities.

Article 8

The temporary committee is entitled to grieve to the Minister against the decision of declaration refusal within one hundred and eighty days from the date of receipt of the notification thereof. Grievance must be settled by means of a grounded decision within one hundred and eighty days from the date of the submission thereof.

The decision issued by the Minister in this regard shall be deemed final, and the grieving shall be notified thereof.

The grieving party may have recourse to the courts within one hundred and eighty days from the date of his notification of the refusal of the grievance or the lapse of the set duration for the settlement of the grievance without receiving a reply, whichever is nearer.

Article 9

The association shall be published through the registration thereof in a special register in the Ministry, whose particulars are determined in the implementing regulation of the present Law.

Article 10

The association shall acquire its juridical personality by completion of the declaration procedures in accordance with the provision of Article 9 hereof. The decision of declaration shall be published in the Official Gazette.

Article 11

The temporary committee shall call the general assembly to convene within a period of three months at most from the date of the declaration of the association. All active members shall be called to the meeting, and such for the purpose of the election of the Board of Directors of the association.

Article 12

The association may set up branches and centers pertaining thereto inside the State. The articles of association shall determine the method of constitution of such branches or centers, the

competences thereof and other provisions.

Article 13

The declared associations, in accordance with the provisions hereof may, request the formation of unions among themselves in accordance with the requirements determined by the implementing regulation of the present Law. No association may call itself " union " unless it is formed of a number of associations united in accordance with the provisions hereof. The existing unions must settle their situations in accordance with the provisions hereof during the period determined by the Minister.

Article 14

The union shall be deemed an association of public interest, on which the provisions of the law set for the establishment and declaration of the association as well as other provisions shall apply thereto to the extent appropriate to the nature thereof.

Article 15

The task of the union with regards to the associations affiliated therein shall be determined as follows:

- 1 - The supervision of the common interests thereof, the guidance and orientation thereof in a manner achieving their common objectives.
- 2 - The coordination of the efforts thereof and the endeavor to ameliorate the level of services thereof.
- 3 - The granting of technical, financial and cultural aids thereto.
- 4 - The endeavor to settle any dispute arising between them.

Article 16

The association may not exceed the objectives determined in the articles of association thereof. It, and the members thereof, shall be prohibited from interfering in politics or matters harming the security of the State and the governing regime therein, or from stirring the confessional, racist or religious conflicts therein.

Article 17

- 1 - The association may be represented in participations outside the State such as conferences, symposiums, meetings or gatherings subsequent to the approval of the Ministry. The Ministry shall respond to the approval request within two weeks from the submission of the request. The travel days of the representative of the association to such participations shall be deemed official working days with regards to the government officials, and relevant institutions and authorities, provided that the pertinent administrative party approves thereof.
- 2 - The association may affiliate, participate, join or deal with any other association or entity, whose head office is located outside the State, or practice any activities or execute any projects outside the State, and such subject to a prior authorization from the Ministry.

The Ministry shall respond to the authorization request within two weeks from the date of the submission of the request.

Article 18

The association may hold conferences, symposiums, gatherings or activities in which persons from outside the State shall participate subsequent to the approval of the Ministry. The Ministry shall respond to the approval request within two weeks from the date of the submission of the request.

Article 19

The Ministry shall be entitled to supervise the program and projects of the association within the

scope of the objectives set forth in the articles of association thereof. It may setup training courses and render technical advice and different aspects of caring in order to raise the services standard and achieve adequate performance.

Article 20

The association shall be subject to the control of the Ministry from the financial aspects to ascertain from expenditure manners and good management of its financial and real resources to meet the objectives and projects of the association in compliance with the articles of association thereof.

For such purpose, the Ministry is entitled to peruse at any time the association books, registers and documents.

Article 21

The Ministry shall cooperate with other Ministries, departments, entities and public institutions as it deems necessary for the achievement of the objectives of the association.

The Ministry may transfer to any thereof some of its competences of technical supervision and pay aids.

Article 22

The association must retain at its headquarters the registers, books, instruments and prints thereof, in specific:

- 1 - Registers of the names of the members, and the subscription fees thereof.
- 2 - The minutes of the meetings of the board of directors and the general assembly.
- 3 - Account books of revenues and expenses corroborated with the accredited documents.

The books, records and prints of the association shall include the name, the declaration number and the scope of activity of the association.

TITLE TWO

THE MANAGEMENT OF THE ASSOCIATION

CHAPTER ONE

THE BOARD OF DIRECTORS

Article 23

Every association shall have its board of directors, elected in a secret ballot, to function and provide the means necessary for carrying out its activity and achieving its objectives.

The articles of association shall indicate the competences of the board of directors, the requirements to be satisfied by the members thereof, their number, termination of their membership, procedures of summoning the board and validity of its meetings and decisions as well as the election of the chairman of the board.

The number of the members of the board of directors must not be less than five. The term of the board must not exceed four years; the member may be reelected in accordance with the articles of association.

In all cases, the age of the member of the board of directors must not be less than twenty one years.

Article 24

The board of directors may appoint a director from among its members or otherwise to carry out internal executive tasks within the association, namely the appointment of employees, the signature of disciplinary sanctions inflicted thereupon, the approval of discharge permits, and the supervision of the execution of the decisions taken by the general assembly and the board of directors, unless the articles of association stipulates otherwise.

Article 25

It is not allowed to combine between memberships in the boards of directors of several associations aiming at achieving the same kind of activity, save the membership of the union. Nevertheless, the Minister may issue an exemption from the said prohibition whenever he deems it justifiable.

Article 26

The board of directors may offer material incentives to any member of the association carrying out exceptional services to the association as an indemnification for the sums incurred thereby, an enticement for more work and an encouragement for other members in accordance with the provisions stipulated by the articles of association.

Upon the proposal of the board of directors and the consent of the general assembly, a member of the board of directors may receive a remuneration in counterpart of the performance thereby of any task related to the competences thereof within the board of directors.

CHAPTER THREE GENERAL ASSEMBLY

Article 27

The general assembly consists of all active members having satisfied the membership conditions and obligations until the convention of the general assembly, and at least three months have elapsed since their membership. The meeting referred to in Article 11 hereof shall be exempt from the three - month requirement. The affiliated members may attend the meetings of the general assembly without being counted for the quorum, and they may have neither the right of vote nor of candidacy.

The attendance of more than half the members is required before the beginning of the meeting for the meeting of the general assembly to be legally held. If the required number is not satisfied, the meeting shall be postponed to the next day and in this instance, it shall be deemed legal with the attendance of quarter its members.

The Ministry shall delegate a representative thereof to the meetings of the general assembly.

Article 28

The members shall be summoned, and the Ministry shall be notified to attend the general assembly at least fifteen days prior to the date of convention thereof. The implementing regulation hereof shall determine the methods and enclosures of the summoning.

Article 29

The general assembly shall convene in an ordinary meeting once every year within the four months that follow the end of the fiscal year to examine issues that are deemed important to the association and that are included within the scope of the objectives thereof, namely:

- 1 - Ratification of the minutes of the previous meeting of the general assembly.
- 2 - Approval of the report of the board of directors regarding its work in the elapsed year, the activity programs and work plan of the upcoming year.
- 3 - Approval of the draft budget for the upcoming year and the closing account for the elapsed fiscal year.
- 4 - Proposals submitted by the members on the time determined by the articles of association.
- 5 - Election of the board of directors or filling the vacant positions.
- 6 - Election of the auditor and determination of his remuneration.
- 7 - Other matters added to the agenda.

Article 30

The meeting of the ordinary general assembly shall be deemed valid should more than half the active members at least be present. If the required number is not satisfied, the meeting shall be postponed to another date after fifteen days at least and thirty days at most from the first date of the meeting. The second meeting shall be deemed valid with the attendance of any number of the members thereof.

The general assembly shall render its decisions by the absolute majority of the attending members.

Article 31

The general assembly may be summoned to extraordinary meetings upon a grounded request from the Ministry, the board of directors or the quarter of the active members. If the board of directors does not summon the general assembly upon the request of the Ministry or the members, the Ministry may carry out such summoning at the expense of the association.

Article 32

The extraordinary general assembly shall have jurisdiction to examine the following matters:

- 1 - Settle the resignations submitted by all or some of the members of the board of directors, should such resignation breach the legal quorum of the board.
- 2 - Forfeit the membership of one or more members of the board of directors.
- 3 - Fill the vacant positions should such be necessary for the preservation of the legal quorum of the board.
- 4 - Propose the merger of the association with another association with similar objectives. The proposal of merger shall be deemed as a proposal of joinder approved by the extraordinary general assembly of the association with which the Association wishes to merge and such with similar procedures. The decision of approval of the merger shall include the procedures and outcomes of execution.
- 5 - Revoke any of the decisions of the board of directors.
- 6 - Amend the articles of association subsequent to the approval of the Ministry which must reply to the amendment request within thirty days from the submission thereof.
- 7 - Dissolve the association voluntarily.
- 8 - Any other expedite matters affecting the course of work in the association and requiring the summoning of the general assembly.

Article 33

The meeting of the extraordinary general assembly shall be deemed valid should more than three quarters of the active members be present. If the quorum is not met, the meeting shall be postponed to another date after fifteen days at least and thirty days at most from the first date of the meeting. The second meeting shall be deemed valid with the attendance of half the members thereof. If the quorum is not met, the members shall be summoned for a third period within a period similar to that of the second meeting. The third meeting shall be deemed valid with the attendance of any number of the members thereof.

The decisions of the general assembly shall be issued by the majority of two third the attending active members.

Article 34

The extraordinary general assembly may not examine issues that are not listed in the agenda.

Article 35

The member of the association may delegate another member to represent him in the general assembly by means of a written procuration in pursuance of the provisions of the articles of association in this regard. The member may not represent more than one member, and the procuration must be adopted by the board of directors of the association.

TITLE THREE

THE ASSOCIATION RESOURCES

Article 36

The association resources shall consist of:

- 1 - Members Subscriptions.
- 2 - Returns of activities, services and investments.
- 3 - Contributions, donations, wills and aids received by the association in accordance with the provisions hereof.
- 4 - All other revenues.

Article 37

With due consideration to the provision related to the solidarity funds and private individual institutions, the funds of the association shall be deemed a property thereof; the members thereof shall not be entitled thereto, and the withdrawing or dismissed member shall not have any right to such funds.

Article 38

The association shall deposit its cash funds in its name in one or more national banks of the State, and shall notify the Ministry of the matter.

The association shall notify the Ministry upon the change of the bank where the funds thereof are deposited within ten days from the date of the occurrence of the change.

Article 39

The association shall spend its funds in a manner that achieve the objectives for which it is established. It may not trade in any manner or enter into financial speculations.

The association may, upon the approval of the Ministry, invest its funds that exceed the requirements thereof, in order to get a financial return that helps it achieve the objectives thereof.

Article 40

The Board of Directors of the association shall submit to the Ministry a copy of the closing account of the previous year and the draft budget of the upcoming year within a period not exceeding fifteen days from the date of approval thereof by the general assembly.

Article 41

The approbation for the association aid shall be provided in the Ministry's budget. A decision given by the Minister shall regulate the types of aids and methods of their expenditure.

Article 42

The Ministry, when examining the granting, increase, decrease or cessation of aids of the associations shall be guided by all or some of the following standards:

- 1 - Credits allocated to the aids in the annual budget of the Ministry.
- 2 - The extent of the association need of aid.
- 3 - The extent of the success of the association in achieving the objectives thereof.
- 4 - Periodical reports regarding the association activity and the extent of its observance of the provisions of the articles of association thereof.

Article 43

Aids may not be collected unless through declared associations in accordance with the provisions hereof and a prior authorization from the Ministry.

The associations may not accept grants, wills or contributions or gather contributions from any

person or party from outside the State, prior to the authorization of the Ministry.
The Minister shall issue a decision regarding the regulating rules and procedures thereof.

TITLE FOUR DOMESTIC INSTITUTION

Article 44

The founders shall set the articles of association of the domestic institution comprising in particular the following data:

- 1 - The name of the institution, the geographic scope of activity and the seat of administration thereof in the State.
- 2 - The objective for which the institution is established.
- 3 - A detailed statement of the funds allocated for the achievement of the objectives of the institution.
- 4 - The organization of the administration of the institution, including the method of appointment of the chairman and members of the board of trustees, and the method of appointment of the director.

The domestic institution may be established by means of an official deed or an authenticated will, both of which are deemed the articles of association of the institution. The implementing regulation hereof shall enclose sample articles of association of the domestic institutions for guidance.

Article 45

A board of trustees shall be charged of the administration of the domestic institutions in accordance with the articles of association thereof. Such institutions shall be represented by the chairman of the board of trustees before the courts and third parties.

Article 46

With regards to the matters not provided for in the provisions of the present title, the domestic institutions shall be subject to the provisions of the present Law and the implementing regulation thereof, and such to the extent appropriate to the nature thereof.

TITLE FIVE LIQUIDATION AND MERGER

Article 47

1 - The association may be liquidated and wound up by a decision from the Minister, upon the proposal of a committee constituted by a decision thereof, and presided by the undersecretary with the membership of senior employee thereof, a representative of the Ministry of Justice chosen by the Minister of Justice, and two members of associations of public interest other than the members of the association whose liquidation and winding up is being examined, chosen by the Minister, and such in one of the following instances:

- a - Should it breach the provision of Article 11 hereof.
- b - Should the number of its members decrease below the limit specified in clause 1 of Article 3 hereof.
- c - Should it be established that its acts are not significantly achieving the objectives of its establishment or it become incapable of achieving such objectives.
- d - Should it dispose of its funds in other than the determined aspects.
- e - Should it become incapable of fulfilling the financial obligations thereof.
- f - Should it refuse inquiry or submit incorrect information for deception purpose.

g - Should it commit gross violation against the articles of association thereof or the provisions hereof.

h - Should it fail to convene the general assembly thereof within two consecutive years.

2 - The decision of liquidation and winding up shall be published in the Official Gazette. Five of the members of the association may jointly grieve against the decision of liquidation and winding up within thirty days from the date of publication thereof. The grievance must be settled by a justified decision within thirty days from the date of presentation and the grieving party shall be notified thereof in accordance with the provision of the implementing regulation.

3 - The Minister may, instead of winding up and liquidating the association, and for the achievement of the public interest:

a - He may appoint, by a justified decision, a temporary board of directors from among the active members of the association in charge of the competences of the elected board of directors, and such for a six - month term, renewable for a similar term. The members of the board of directors of the association and the employees in charge of the work therein shall deliver to the temporary board upon the establishment thereof all the funds, registers, books and documents of the association.

b - He may merge the association with another association whose objectives are similar thereto, provided that the decision of merger is issued by both associations in accordance with Article 32 hereof.

Article 48

Subject to Article 51 hereof, the association may be voluntarily liquidated by a decision from an extraordinary general assembly, provided that the Ministry is notified of the place of meeting of this assembly at least fifteen days prior to the date of the meeting.

Article 49

The persons in charge of any association which is liquidated by force or voluntarily may not dispose of its funds and documents unless by virtue of a decision from the Ministry determining the liquidation method in accordance with the restrictions set by the implementing regulation hereof. The Minister shall issue a decision determining the liquidation method and the way to dispose of the said funds and documents, as well as the party to which the funds are transferred whenever such is not stipulated in the articles of association, or whenever it is impossible to execute the provisions thereof.

Article 50

In all cases, should the association be winded up or liquidated, it may keep its juridical personality to the extent necessary for the accomplishment of the liquidation works. The Minister shall issue a decision to eradicate the association from the register subsequent to the appropriate accomplishment of the liquidation operation.

The decision of eradication shall be published in the Official Gazette.

TITLE SIX FINAL PROVISIONS

Article 51

The Ministry shall undertake the registration and declaration of the social solidarity funds in accordance with the rules and procedures issued by virtue of a Cabinet decision upon a recommendation from the Minister.

Article 52

The provisions of this Law shall not apply to the different types of activities mentioned in Article 2

hereof, carried out by schools, institutes, unions, association, clubs and youth and sports centers in charge of the social, cultural and sports youth affairs in the State, regulated by the Law no. 25 of 1999 regarding the General Authority of Youth and Sports.

Article 53

The association shall enjoy exemption from the following financial obligations:

1 - Customs taxes and fees with regards to imported tools and fittings for its own account and necessary for the practice of the activity thereof. The disposal of such tools and fittings to another party not enjoying the exemption from customs taxes and fees shall be prohibited before the elapse of one year from the date of the import thereof, unless the due taxes and fees are paid.

2 - Taxes and fees on the different activities held thereby.

3 - The sums due in counterpart of the consumption of water, electricity and natural gas produced by the governmental authorities.

Article 54

It is not allowed for any group or party to exercise any of the associations' activities except after the completion of registration procedures. In case of violation, the Ministry may decide to cease this activity and close the contravening centers. The competent authorities in the State must execute this decision by force; if necessary. This shall not affect criminal or civil liability.

Article 55

The Ministry is the only party charged with the declaration of associations of public interest or the licensing thereof to practice its activities. All declared or licensed associations by means of special regulations or local orders shall amend their articles of association and submit their declaration request in accordance with the provisions hereof within six months from the date of entry into force thereof, otherwise they shall be deemed liquidated. The Ministry shall liquidate the funds thereof and appoint the party to whom the funds shall be transferred.

Article 56

The Ministry's objection or rejection of the applications submitted thereto shall be made in accordance with the provisions hereof by means of a registered mail with acknowledgment receipt to be submitted to the applicant within the period specified by the Law.

Article 57

Every perpetrator breaching the provision hereof and the implementing decision thereof shall be sentenced to a fine amounting to ten thousand Dirhams at most, and such without prejudice to any severer sanction stipulated by any other law.

Upon the breach of any of the provisions of Article 43, the court shall rule to seize the funds obtained by association without license.

Article 58

The Ministry's officials appointed by a decision from the Minister of Justice, in agreement with the Minister, shall have the capacity of judicial investigation officials to comprehend and prove any violation to the provisions hereof, the implementing regulations and decisions thereof.

Article 59

Every provision contradicting or contravening the provisions hereof shall be cancelled, and the said Federal Law no. 6 of 1974 shall be cancelled. On the other hand, the implementing regulation and the decisions issued hereby shall remain enforceable until the issuance of the implementing regulations and decisions hereof in a way that does not contradict with the provisions thereof.

Article 60

The Minister shall issue the necessary regulations and decisions for the implementation of the provisions hereof.

Article 61

The present Law shall be published in the Official Gazette and shall enter into effect one month subsequent to the publication date thereof.

Palace in Abu Dhabi
On 13 Muharram 1429 H.
Corresponding to 21 January 2008
Khalifah Bin Zayed Al Nahyan
President of the United Arab Emirates State

This Federal Law has been published in the Official Gazette, issue no. 476, p. 30.