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## Egypt's New NGO Law

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### Introduction

A new law regulating non-governmental organizations (NGOs) was approved by a vote at the Egyptian Parliament on 29 November 2016. The law has been sent to President Abdel Fattah Al-Sisi to be signed into law. It is expected to enter into force before the end of 2016.

There are approximately 47,000 domestic NGOs active in Egypt and almost 100 registered branches of foreign NGOs. All NGOs must bring their status in line with the requirements of the new NGO Law within one year of its promulgation. The law comprises 89 articles and will have far reaching effects on NGOs in Egypt, co-operation with NGOs and the funding of NGOs, and any corporate social responsibility (CSR) activities that are implemented in co-operation with local NGOs.

The new law puts an end to several years of intense public debate in which various drafts were exchanged and discussed. The new regulatory regime has been characterized as being very restrictive, as it defines the scope of permitted NGO activities very narrowly and provides the government with far reaching consequences to monitor and control activities and funding of NGOs in Egypt.

### The National Authority, the new regulator to be established

The law applies to NGOs, but also has far reaching consequences for international businesses in Egypt that co-operate with NGOs, be it in connection with CSR or other charitable activities.

Any co-operation between an Egyptian NGO and a foreign entity is subject to the approval of the National Authority. The National Authority is a new regulator to be established to complement the Ministry of Social Solidarity (MoSS). The National Authority will be attached to the Prime Minister's Office. It will be governed by a chairman, appointed by the President, and a board of directors including representatives of Egypt's military, intelligence services, and the Ministry of Interior. The National Authority will be the supreme body supervising all international NGO activities and the funding of domestic NGOs from abroad.

The Prime Minister is under the obligation to issue the Executive Regulations within two months as from issuance of the NGO Law. The Executive Regulations will contain a new model articles of association to be adopted by Egyptian NGOs. The Executive Regulations also will spell out the details of the approval and notification requirements.

### NGO Reporting and Funding Regulation

The law requires NGOs to be loyal to the constitution and to pursue its goals in compliance with the state's development plan, development needs and priorities, and to report all data on financing sources, activities, protocols, and programmes to the government.

Any funding from Egyptian sources in Egypt must be received in the NGO's bank account, registered in its books and notified to MoSS. We anticipate that only fundraising campaigns (i.e. directed at the public) are subject to an approval requirement, not a funding from other domestic sources, so Egyptian companies should be able to continue to fund national NGOs, provided the bank statements are regularly presented to MoSS.

Any funding from sources outside Egypt, or from foreign sources inside Egypt, are subject to greater scrutiny. The funds must be received in the NGO's bank account, registered in its books, and may only be used if cleared by the National Authority and MoSS. We anticipate that this new clearance process for foreign funds will be complex - the law provides that clearance can take up to 60 days.

The standards for defining sources outside Egypt and foreign sources is not clear, and it is not known if an Egyptian registered company that is wholly or majority foreign-owned or controlled qualifies as a foreign source. The Executive Regulations may provide further guidance on this point.

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**If you would like more information about this topic, then please contact us.**

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