

COUNCIL OF MINISTERS REGULATIONS TO PROVIDE FOR
THE REGISTRATION AND ADMINISTRATION OF
CHARITIES AND SOCIETIES

These Regulations is issued by the Council of Ministers pursuant to Article 5 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No.471/2005 and Article 109 of the Charities and Societies Proclamation No.621/2009.

PART ONE

GENERAL

1. Short Title

These Regulations may be cited as the “Charities and Societies Council of Ministers Regulations No./2009.”

2. Definitions

In these Regulations, unless the context otherwise requires:

- 1/ “Proclamation” means the Charities and Societies Proclamation No.621/2009;
- 2/ “Agency” means the Charities and Societies Agency established under Article 4 of the Proclamation;
- 3/ the definitions provided in Article 2 of the Proclamation shall be applicable to these Regulations;
- 4/ “state” means any state referred in Article 47 of the Constitution of the Federal Democratic Republic of Ethiopia;
- 5/ “city administration” means the Addis Ababa or Dire Dawa city administration;
- 6/ any expression in the masculine gender includes the feminine.

PART TWO

REGISTRATION

3. Application for Normal Registration

- 1/ Without prejudice to the requirements prescribed under sub-articles (3) and (4) of Article 68 of the Proclamation, an application for registration shall include the following information:
 - a) the list of regions or city administrations wherein the charity intends to operate or the list of regions or city administrations wherein the society intends to operate and residences of the founding members of the society;

- b) declaration given to use model rules prepared by the Agency or rules signed by the founders of the charity or the society;
 - c) what percentage of its income is generated or will be generated from Ethiopian sources;
 - d) names, addresses, ages, educational status and nationalities of the founders, officers and members of the charity or society, as the case may be;
 - e) the legal nature of the charity or society;
 - f) symbol intended to be used by the charity or society, if any; and
 - g) other relevant information requested by the Agency.
- 2/ An application made under sub-article (1) of this Article shall be signed and attested by the founders, trustees or agents of the charity or the society, as the case may be.
- 3/ When the Agency denies the application for registration it shall notify the applicant in writing by stating the reasons for the denial. A denial of the application may not entitle to the refund of fees paid under these Regulations.
- 4/ The Agency shall effect registration upon receiving the appropriate fees prescribed in the Schedule attached hereto.

4. Foreign Charities

- 1/ Without prejudice to sub-article (4) of Article 68 of the Proclamation and sub-article (1) of Article 3 of these Regulations, the application of foreign charities shall include:
- a) a project proposal prepared for implementation;
 - b) detailed information about its country representative; and
 - c) other information as may be required by directives of the Agency.
- 2/ The Ministry of Foreign Affairs shall, in consultation with the Agency, determine the criteria to be used for the issuance of its letters of recommendation to foreign charities.
- 3/ The Agency shall effect registration of a foreign charity upon receiving fees prescribed in the Schedule attached hereto.

5. Name of Charities and Societies

The Agency shall require the change of a name of an applicant or a registered charity or society where such name:

- 1/ is the same as or is similar to that of any other charity or society registered earlier;
- 2/ is likely to mislead the public as to the true nature of the purposes specified in its rules and the activities which the charity or society carries on;

- 3/ is likely to give the impression that the charity or society is connected in some way with the Government or any government organ, or with any other body of persons or any individual or business, when it is not so connected.

6. Contents of Rules

- 1/ Rules of any charity or society shall contain the following particulars:
- a) name, address and objectives of the charity or society;
 - b) organizational structure of the charity or society;
 - c) budget year of the charity or society;
 - d) the administration and utilization of the financial resources of the charity or society;
 - e) procedure through which the officers of the charity or society are elected or employed and their powers and functions and their terms of office;
 - f) the conditions on which membership or tenure of officers of the charity or society ceases;
 - g) meeting and decision making procedures of the governing body and executive organs of the charity or society;
 - h) if it is a society, the procedure through which it receives or discharges its members, the rights and duties of members as well as membership contributions;
 - i) procedure through which the rules of the charity or society are amended;
 - j) sources of income of the charity or society;
 - k) the logo or symbol of the charity or society, if any;
 - l) procedure applied when the charity or society is dissolved; and
 - m) other relevant information prescribed by directives of the Agency in light of the nature of the charity or society.
- 2/ A charity or society intending to utilize rules prepared by itself instead of the model rules prepared by the Agency shall, in addition to registration fee, pay the fee prescribed for vetting rules in the Schedule attached hereto.

7. Immediate Registration

- 1/ Without prejudice to Article 3 of these Regulations, any Ethiopian society that is willing to use model rules prepared by the Agency, is not expected to submit a project profile and is not a consortium may be registered immediately.
- 2/ Model rules for the use of Ethiopian societies that might be registered immediately shall be prepared by the Agency.

- 3/ Where it is revealed that a charity or society which is not entitled to register immediately is so registered:
 - a) it shall, upon requiring it to fulfill the criteria for normal registration, be considered to have registered under Article 68 of the Proclamation without altering the date of registration; and
 - b) it shall pay the remaining balance of the fee required for normal Registration.
- 4/ Notwithstanding sub-article (3) of this Article, the Agency shall not be prevented from exercising its powers under Article 92 of the Proclamation.
- 5/ The Agency may issue directives on particulars of charities and societies to be registered immediately.

8. Formation of a Consortium

- 1/ Any consortium formed by two or more charities or societies in order to achieve their common objectives shall be registered as a charity or society.
- 2/ Charities or societies applying to register a consortium shall produce the minutes showing the decision of the governing body of each charity or society or an organ given the power, under its rules, to form a consortium and shall pay fees prescribed for normal registration in the Schedule attached hereto.

9. Objections to Registration

Any person who may be affected by the registration of an applicant as a charity or society or by any change or amendment in its name, logo or symbol may object to such registration or entry in the register. Such objection shall be made and dealt with in accordance with procedures established by the Agency.

10. Re-registration

- 1/ Without prejudice to Article 3 of these Regulations, charities and societies registered prior to the effective date of the Proclamation shall be re-registered without payment of any fees in accordance with the schedule set by the Agency. Particulars shall be determined by the Agency.
- 2/ The effects of re-registration shall commence only a year after the effective date of the Proclamation and not immediately after re-registration.

11. Registration of Symbols

- 1/ Where a charity or society decides to use any logo or symbol, it shall, prior to any such use, present the logo or symbol to the Agency for registration.

- 2/ An application for registration shall be accompanied by a reproduction of and a description of the objectives, outline, color and other necessary details of the logo or symbol.
- 3/ If a logo or symbol presented for registration is acceptable, it shall be entered in the register of charities and societies upon payment of the fees prescribed in the Schedule attached hereto.
- 4/ When the Agency refuses an application for registration of a logo or symbol, it shall notify the applicant the decision and the reasons thereof in writing.
- 5/ The Provisions of Article 16 of this Regulations shall, with the necessary adjustments, be applicable to changes and amendments of logos and symbols.

12. Trustees of a Charitable Trust

- 1/ A charitable trust shall be deemed to be formed on the day when the person constituting the trust or the person designated by him or the Agency has appointed a trustee in accordance with the Proclamation and the trustee accepted the appointment.
- 2/ Without prejudice to the provisions of sub-article (3) of Article 64 of the Proclamation, trusteeship of the trustees who fail to apply for registration of the charitable trust within three months of constitution of the charitable trust shall be revoked and a new trustee shall be appointed by the Agency.
- 3/ To decide whether the failure of the trustees to register within three months of the formation of the charitable trust is due to a justifiable cause or not, the Agency may consult with the person constituting the trust or the sector administrator.

13. Relationship between Trustees and Third Parties

- 1/ Without prejudice to the provisions of sub-article (3) of Article 65 of the Proclamation, trustees may not perform any acts involving third parties before acquiring a certificate of registration except the acts necessary for transferring the assets mentioned in the donation or will to the possession or ownership of the charitable trust.
- 2/ Trustees who contravene sub-article (1) of this Article shall be removed from the trusteeship and replaced by other trustees.
- 3/ Trustees shall be jointly and severally be liable for any damage caused to the charitable trust due to their acts committed in contravention of sub-article (1) of this Article.
- 4/ A charitable trust may not be liable for the acts of trustees committed in contravention of sub-article (1) of this Article.

14. Renewal of License

- 1/ Without prejudice to the requirements stipulated under Article 76 of the Proclamation, an application for the renewal of a license which shall be

made concurrent with the annual activity and audit reports of a charity or society shall include the following information:

- a) a financial plan of three subsequent budget years;
 - b) project agreement that the charity concluded with the concerned government bodies, if any; and
 - c) other documents as may be requested by the Agency.
- 2/ An application for the renewal of a license under sub-article (1) of this Article shall be signed and attested by the chief executive officer of the charity or society. The fees to be paid for renewal shall be as prescribed in the Schedule attached hereto.
 - 3/ Where the Agency denies an application for the renewal of a license it shall inform the applicant in writing by stating the reasons for such denial.
 - 4/ The decision of the Agency for granting or denying of an application for renewal shall be entered in the register of charities and societies.

15. Public Collections and Charitable Committees

- 1/ An application presented for public collection or approval of a charitable committee in accordance with the Proclamation shall include the following information:
 - a) the charitable purposes for which the public collection is to be conducted or for which the committee is constituted;
 - b) the place or places in which the public collection is to be conducted or the committee will operate and the date on which it will begin and end;
 - c) the method through which the public collection will be conducted or the committee will conduct its work;
 - d) information about the officer or the person who will supervise or direct the public collection or the officers or members of the committee; and
 - e) such other particulars as may be determined by directives of the Agency.
- 2/ The Agency shall not authorize a public collection or charitable committee without an explicit approval of the Director General of the Agency where any of the funds collected might be applied to charitable purposes outside of Ethiopia.

16. Change or Amendment of Name, Place of Work or Rules

- 1/ If a charity or society changes its name or amends its rules in accordance with Article 73 of the Proclamation, it shall submit the change or amendment to the Agency for registration prior to the implementation of such change or amendment.

- 2/ If a charity or society changes its place of work in accordance with Article 73 of the Proclamation, it shall submit the change to the Agency for registration within fifteen working days of such change.
- 3/ An application for registration under sub-article (1) of this Article shall include a minute of the decision of the governing body of the charity or society and a copy of the changed or amended name or rules.
- 4/ The fees to be paid for registration of change or amendment of name or rules shall be as prescribed in the Schedule attached hereto.
- 5/ If the proposed change or amendments of name or rules of a charity or society is not prohibited by the Proclamation or any other law, the said change or amendment shall be entered in the register of charities and societies.
- 6/ The Agency shall, upon registration, supply the charity or society a copy of the registered amended rules.
- 7/ When the Agency refuses an application for registration of change of name or amendments of rules of a charity or society, it shall notify the applicant in writing the decision and the reasons thereof.

17. Merger and Division

- 1/ Where a charity or a society decides to merge or divide, it shall present the following documents to the Agency:
 - a) a document that shows the decision of the competent organ of the charity or society to merge or divide;
 - b) the list of the divided or merged charities or societies;
 - c) the decision of the competent organ of the charity or society as to the right and obligations to be transferred;
 - d) in the case of division, the procedures for partitioning of property; and
 - e) such other particulars as may be required by the Agency.
- 2/ The Agency shall enter the effects of a division or merger and have the same published only after verifying that the merger or division has been conducted in compliance with the relevant laws and rules and upon receiving the fees prescribed in the Schedule attached hereto for normal registration.

18. Conversion

- 1/ Any foreign charity registered in Ethiopia in accordance with the Proclamation or Ethiopian residents charity or society may be converted into an Ethiopian charity or society by the decision of its competent organ and acquire a certificate registration.
- 2/ A foreign charity or Ethiopian residents charity or society that applies to be converted to Ethiopian charity or society shall not transfer the assets that are from foreign sources to the converted charity or society.

- 3/ Without prejudice to the provision of Article 92 of the Proclamation, Any foreign charity or Ethiopian residents charity or society that applies for conversion in accordance with sub-article (1) of this Article shall, by virtue of its competent organ's or the Agency's decision, transfer its assets from foreign sources to a foreign charity or Ethiopian residents charity or society with similar purposes.
- 4/ Any charity or society registered by a state may apply to the Agency for registration in accordance with these Regulations, if it plans to operate in or to admit members from another state in addition to the state of its registration.

19. Publication

- 1/ The Agency shall publish in a gazette the list of registered, suspended, canceled and dissolved charities and societies at least once in three months.
- 2/ The Agency shall publish in a gazette any changes in the names of charities and societies at the time that it has approved such change.
- 3/ Any charity or society applying for registration shall pay publication fees prescribed in the Schedule attached hereto in addition to registration fees.
- 4/ The applicant shall pay the fees prescribed in the Schedule attached hereto for publication in accordance with sub-article (2) of this Article.
- 5/ The Agency shall bear the costs of publishing the list of charities and societies that have been suspended, canceled or dissolved.
- 6/ The Agency shall publish or cause the publication of any matter pursuant to this Article in any gazette.

PART THREE

REPORTS AND COMMUNICATION

20. Annual Statement of Accounts

- 1/ An annual statements of accounts of a charity or society prepared in accordance with Article 78 of the Proclamation shall include:

- a) an income and expenditure account showing the income and expenditure of the charity or society during the financial year;
 - b) explanation of the source of the income specially in relation to income from foreign sources and the ratio of administrative and operational costs of the charity or society;
 - c) a balance sheet showing the assets, liabilities and capital of the charity or society at the end of the financial year;
 - d) an explanation of the accounting policies used to prepare the accounts; and
 - e) such other particulars as the Agency may prescribe by directives.
- 2/ The Agency shall issue specific guidelines on how to calculate the income and expenditure of charities and societies in relation to income from any sources and administrative and operational costs.
- 3/ The Agency shall issue directives to distinguish administrative activities.
- 4/ Where the charity or society has conducted public collections during the financial year the statement of accounts shall include detailed accounts regarding the public collections.

21. Annual Audit of Accounts

- 1/ An annual audit report of accounts of a charity or society prepared in accordance with Article 79 of the Proclamation shall state:
- a) whether the accounting records and statements fairly show the financial transactions and state of affairs of the charity or society;
 - b) whether proper accounts and other records have been kept, including records of all assets of the charity or society;
 - c) whether the accounting records and statements allow to distinguish income from foreign sources of the charity or society;
 - d) other particulars that the auditor deems necessary; and
 - e) such other particulars as the Agency may prescribe by directives.
- 2/ Where the charity or society has conducted public collections during the financial year the audit report shall state whether the public collection has been carried out in accordance with financial criteria set by the Agency and whether proper accounts and records regarding the public collection have been kept.

22. Annual Activity Reports

- 1/ An annual activity report of a charity or society prepared in accordance with Article 80 of the Proclamation shall include:
- a) the short and long term and where applicable the annual policy and strategy applied by the charity or society in pursuance of its objectives;

- b) summary and review of the activities of the charity or society during the financial year;
 - c) commitments of the charity or society to on-going projects;
 - d) an explanation of the purposes for which the charity's or society's assets are currently utilized and an indication of its future long-term and short-term plans;
 - e) where applicable a separate description of the public collections and income generating activities of the charity or society; and
 - f) such other particulars as the Agency may prescribe by directives.
- 2/ Ethiopian women, youth and similar mass based societies may not be obliged to submit annual activity reports to the Agency.
 - 3/ The Agency shall give written warning to Charity or Society that has not operated to accomplish its established objectives with in the year unless, in the opinion of the Agency, an acceptable justification is presented by the Charity. However; the Agency shall cancel its license where the Charity or Society has not operated in the next year.

23. Income Generating Activities

- 1/ The books of accounts referred to in sub-article (2) of Article 103 of the Proclamation shall be kept in accordance with proper accounting standards applicable to taxpayers who have the obligation to keep books of accounts.
- 2/ Without prejudice to the provisions of Article 92 of the Proclamation the Agency may suspend or withdraw its approval for income generating activities where the charity or society has failed to keep separate books of account for its income generating activities or has failed to keep proper books of accounts.
- 3/ The Agency shall take the appropriate measures in accordance with Article 92 of the Proclamation where a charity or society is found to have utilized the proceeds of any income generating activity for the purpose other than its objectives.

24. Failure to Notify Meetings

- 1/ Without prejudice to the provisions of sub-article (1) of Article 92 of the Proclamation any society or charitable society that fails to notify the Agency of the time and place of a meeting of its general assembly earlier than seven working days prior to such meeting as per Article 86 of the Proclamation may be given a written warning.
- 2/ A warning pursuant to sub-article (1) of this Article may not be given more than once.

25. Notification of Bank Accounts

- 1/ Any charity shall notify the Agency and acquire a supportive letter to open a bank account.

- 2/ Any charity or society shall notify to the Agency, as per Article 83 of the Proclamation, all the bank accounts of the charity or society with the following particulars:
 - a) the number of bank accounts, types of the accounts, the account numbers and the name of the bank where the accounts are opened with the respective branches;
 - b) the persons authorized to operate the accounts;
 - c) periodically issued bank statements; and
 - d) such other relevant particulars as the Agency may determine by directives.
- 3/ Any charity or society may open an account only in its own name and with a bank situated in Ethiopia.
- 4/ Any charity or society shall present its bank account along with its annual activity reports and or at any time as the Agency may require in writing.

26. Information about Members and Officers

- 1/ Any charity or society, as may be appropriate, shall record and keep particulars regarding their members and officers and shall transmit same to the Agency.
- 2/ A record of particulars in accordance with sub-article (1) of this Article shall include:
 - a) name, age, sex, nationality and address of members, officers and members of governing bodies;
 - b) officers' and members of governing bodies status, duties and responsibilities and place of work; and
 - c) such other particulars as may be required by the Agency.
- 3/ Any charity or society shall transmit to the Agency particulars under sub-article 2(b) of this Article and, as appropriate, the name, age and sex of members together with its annual activity reports and whenever so requested by the Agency.
- 4/ Notwithstanding the provisions of sub-article (3) of this Article, Ethiopian mass based societies may not be expected to report detailed particulars of members other than disclosing the number of their members.
- 5/ any charity or society shall inform the Agency any changes in its officers or members of its governing body within thirty days of such change.
- 6/ When the Agency requires any particulars regarding members or officers from a charity or society, it shall request in writing.
- 7/ Any charity or society shall furnish any particulars as may be needed by the Agency within a reasonable period of time set by the Agency.
- 8/ Without prejudice to the provisions of Article 92 of the Proclamation, the Agency may give a written warning to a charity or society that has failed to fulfill the requirements of sub-article (2) of this Article to fulfill such

requirement within a specified period. Such warning may not be given more than once.

27. Conflict of Interest

- 1/ Any officer or agent shall have the duty to disclose to his superior the existence of any conflict of interest between himself and the charity or society in making a transaction with a third party by representing the charity or society.
- 2/ Without prejudice to sub-article (1) of this Article, when any person or the Agency becomes aware of the existence of a conflict of interest between a charity or society and its officer or agent, it may disclose same to the charity or society.
- 3/ The appropriate body of a charity or society made aware of the existence of a conflict of interest shall determine, based on the best interest of the charity or society, whether the transaction that gave rise to the conflict should continue. The officer or agent whose interest is in conflict with that of the charity or society may not participate in such decision.
- 4/ Decisions made pursuant to sub-article (3) of this Article shall be recorded and reported to the Agency together with the annual activity report of the charity or society.
- 5/ Without prejudice to the provisions of Article 90 of the Proclamation, an officer or agent who has failed to disclose the existence of a conflict of interest in accordance with sub-article (1) of this Article shall be subject to a sanction prescribed under the rules of the charity or society.

PART FOUR

MISCELLANEOUS PROVISIONS

28. Display of Certificate and Use of Advertisement Boards

- 1/ The Agency may give a written warning to a charity or society that has failed to observe the provisions of Article 75 of the Proclamation and set a deadline to comply with requirements of the provisions.
- 2/ A warning pursuant to sub-article (1) of this Article may not be given more than once.

29. Orders of the Agency

- 1/ Any order of the Agency given to a charity or society pursuant to the Proclamation or these Regulations shall be made in writing and state the time limit for its execution.
- 2/ A charity or society given an order by the Agency shall notify the Agency its execution of the order and the date of execution.
- 3/ The Agency may suspend the officer of a charity or society where he contravenes the provisions of the Proclamation, these Regulations or the

rules of the charity or society until he corrects his misconduct, is sued and prosecuted in court of law and or is replaced by another officer in accordance with the rules of the charity or society.

- 4/ The Agency shall give a written order to an officer or charity or society suspended in accordance with the Proclamation to rectify, within a specified time limit, the irregularities which caused the suspension.

30. Charities and Societies Board

- 1/ The tenure of a member of the Charities and Societies Board referred to in Article 7(1) of the Proclamation shall be for five years, and may be reappointed without any limit.
- 2/ Where a member of the Board dies, resigns or is removed, a new member shall be appointed to serve for the remaining term of the former member.
- 3/ The Board shall have a secretary appointed by the Agency outside of the Board members who shall:
 - a) look after the internal affairs of the Board;
 - b) receive applications to the Board;
 - c) transmit decisions of the Board to the concerned bodies;
 - d) keep the Board's documents; and
 - e) perform other functions as may be assigned to him by the Chairperson of the Board.

31. Forms and Model Rules

The Agency shall prepare forms that are necessary for the services it renders in accordance with the Proclamation and these Regulations and model rules of charities and societies.

32. Fees

- 1/ The amount of fees payable for the services rendered by the Agency shall be as prescribed in the Schedule attached hereto.
- 2/ The Minister of Ministry of Justice may waive partly or totally registration or any other fees under these Regulations for any charity or society where he deems such waiver appropriate.

33. Delegation of Power

The Ministry of Justice may delegate to the Agency the power to register religious organizations given to it under sub-article (8) of Article 23 of Proclamation No. 471/2005.

34. Power to Issue Directives

The Agency may issue directives necessary for the proper implementation of these Regulations.

35. Inapplicable Laws

No regulations, directives or customary practice shall, in so far as they are inconsistent with these Regulations, be applicable with respect to matters provided for under these Regulations.

36. Effective Date

These Regulations shall come into force on the date of their publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this _____day of _____, 2009.

MELES ZENAWI
PRIME MINISTER OF THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA

SCHEDULE

F E E S

No.	Type of Service	Amount	
		Birr	USD
1	Normal Registration	500.00	
2	Registration of foreign charities		300.00
3	Immediate Registration	400.00	
4	Registration of symbols	100.00	
5	Change or amendment of name, place of work or rules	100.00	
6	Renewal	400.00	
7	Application to receive signed and sealed rules	100.00	
8	Application for income generating activities and public collections	150.00	
9	Customers' handbook	20.00	
10	Application form	5.00	
11	Approval of charitable committee	200.00	
12	For authenticated copy of each page of any document	5.00	
13	Vetting of rules	200.00	
14	<u>Publication</u> a) For Registration	half of the current publication cost	
	b) For change of Name	current publication cost	