Law of Civil Society Associations and Organizations

Royal Decree No. M/8
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Translation of Saudi Laws
NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.
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Definitions

Article 1
In this Law, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

3. Minister: Minister of Social Affairs.
5. Association: A civil society association.
6. Organization: A civil society organization.
7. Charter: The charter of an association or organization.
9. Supervisory Authority: The government agency which falls within its jurisdiction the activities of an association or organization.
10. Competent Authority: The authority determined by the Council of Ministers.

Objectives of the Law

Article 2
This Law aims to:

1. regulate, develop, and protect civil society activities;
2. contribute to national development;
3. promote the involvement of citizens in the management and development of the society;
4. foster the culture of voluntary work among members of the society; and
5. achieve social solidarity.
Classification

Article 3
For the purposes of this Law, associations and organizations shall be classified as follows:

1. Civil Society Associations:
   For the purpose of the implementation of the provisions of this Law, a civil society association is any non-profit group which is organized for a definite or indefinite period, comprising natural or corporate persons, or both, for philanthropic or cooperative purposes; for a religious activity determined by the Ministry of Islamic Affairs, Endowments, Dawah, and Guidance; for social, cultural, health-related, environmental, educational, instructional, scientific, vocational, creative, or youth- or tourist-related activities, or the like; or any activity relating to consumer protection or any other civil activity as determined by the Ministry; whether through material, moral, technical, or other forms of support, whether the activities are directed to serve the public, such as public society associations, or towards serving specialists or professionals, such as professional associations, scientific societies, and literary societies.

2. Civil Society Organizations:
   For the purpose of the implementation of the provisions of this Law, a civil society organization is any non-profit entity established for a definite or indefinite period, by one or more natural or corporate persons, or both, for public benefit or the benefit of a specific group; and funded by funds allocated by its founder(s) as well as endowments, grants, and bequests. All types of family and private funds shall be considered civil society organizations, and the Regulations shall determine such funds, provided that each body overseeing a fund shall establish regulations for said fund in line with this Law without any obligations on the State, after obtaining the approval of the Competent Authority and the Ministry.

Ministry Responsibilities

Article 4
The Ministry is the authority in charge of the affairs of associations and organizations in accordance with the provisions of this Law and other relevant laws, and may take necessary measures to achieve the objectives of this Law, particularly the following:

1. Licensing associations and organizations.
2. Providing associations with government subsidies.
3. Overseeing the activities of associations and organizations and monitoring them administratively and financially. The Regulations shall specify relevant
rules.
4. Developing associations and organizations.
5. Organizing conferences and symposia in the field of civil work and the importance of participating therein, and supporting relevant research and studies.
6. Approving the merger of associations or organizations.
7. Setting the rules necessary for coordination between official agencies and associations and organizations, within the Kingdom, in accordance with this Law and other laws.
8. Promoting public trust in associations and organizations.
9. Fostering the culture of volunteer work.
10. Setting the plans and priorities for the activities needed by the society, and creating a database of such activities to act as a guide for members of associations and owners of organizations.

Responsibilities of the Supervisory Authority

Article 5
Each supervisory authority shall have the following responsibilities:

1. Approving the establishment of associations and organizations whose activities fall within its jurisdiction, in preparation for completing licensing procedures by the Ministry in accordance with the provisions of this Law.
2. Technically supervising and monitoring the activities of associations and organizations.
3. Developing associations and organizations.

Issuance of Licenses

Article 6
The Ministry shall be responsible for issuing, amending, and renewing licenses for associations and organizations in coordination with the competent authority, upon the supervisory authority’s approval, except for scientific societies founded under universities which shall be subject to the provisions and rules governing scientific societies at universities.
Association Support Fund

Article 7

1. A fund named the “Association Support Fund” reporting to the Minister shall be created under this Law. The Fund shall be in charge of supporting and developing the programs of associations to ensure continuity thereof in accordance with the Fund’s regulations.

2. Fund revenues shall consist of the following:
   a) Allocations in the State budget.
   b) Donations, grants, and endowments.
   c) Property resulting from the dissolution of associations.
   d) Returns on investments.
   e) State allocations from fees and taxes.

3. The Minister shall issue separate regulations for the Fund which shall include all the provisions governing the Fund, including its management, management and investment of its funds, monitoring procedures, and eligibility rules.

Establishment of Associations

Article 8

1. An application for the establishment of an association shall be filed by not fewer than 10 Saudi persons, natural or corporate, attached with a copy of the charter. A natural person shall be legally competent and shall not have been convicted of a crime impinging upon honor or integrity, unless rehabilitated.

2. An association may not be established if its charter contains provisions conflicting with the provisions of Sharia, public order, or public morality, or if it undermines national unity or conflicts with the provisions of the Law, Regulations, or any other laws and regulations.

3. The Ministry shall issue a decision on the application for establishing an association within 60 days from the date of fulfillment of the requirements set forth in this Law and the procedures specified in the Regulations. Failure to issue a decision within said period shall be considered an approval of its establishment.

4. An association shall have a corporate personality upon the Ministry’s approval of its establishment. Its charter shall be published in the media as specified in the Regulations. An association may not engage in any of its activities except upon completion of its establishment procedures in accordance with the provisions of the Law and Regulations.
Charter

Article 9
The charter shall include the association’s basic information and provisions, particularly the following:

1. The association’s name, main office and the geographical area covered by its services.
2. Purpose of establishment.
3. Names of the founders, their particulars, and permanent addresses.
4. Membership conditions and types, and members’ rights and duties.
5. Identifying the association’s revenues from among the revenue sources provided for in Article 12 of the Law, and the manner of disposal thereof.
6. Specifying the beginning and end of the association’s fiscal year.
7. Determining the number of board members, provisions relating to their election, board’s term, provided it does not exceed four renewable years, and the quorum for board meetings.
8. Methods of financial control.
9. Provisions relating to the association’s organs, their tasks and powers, and the procedures related to the recruitment of employees and the termination of their services.
10. Procedures for merging with other associations.
11. Procedures for amending the charter.
12. Rules for voluntary dissolution of the association, liquidation procedures, and the entity to which its funds shall devolve, provided that this shall be limited to the Fund or a registered association of a similar nature.

Establishment of Branches

Article 10
An association may set up branches within the Kingdom following the Ministry’s approval. The charter shall provide for the establishment procedures and powers of said branches, as well as other related provisions.
Association’s Organs

Article 11
An association shall consist of the following organs:
1. General assembly.
2. Board of directors.
3. Standing committees formed by the general assembly or the board of directors, provided that their powers are determined in the formation decision.
4. The executive body.

Association’s Revenues

Article 12
Revenues of an association shall consist of the following:
1. Membership fees (if any).
2. Proceeds from the association’s activities.
3. Charities, grants, endowments, and donations.
4. Returns on investment of the association’s funds.
5. Government subsidies.
6. Allocations by the Fund for the association and its programs.
7. Revenues generated through its management of an entity affiliated with a government or private agency, or the execution of some of its projects or programs in accordance with Article 27 of the Law.
8. Zakat money for associations with channels for spending zakat.

General Assembly

Article 13
1. The general assembly shall be composed of the founding members and those who have been members for at least six months, provided that membership fees, if any, are paid.
2. The general assembly shall hold its meetings (ordinary and extraordinary) at the headquarters of the association pursuant to a written invitation by the chairman of the association’s board of directors. The invitation shall include the agenda, venue, and date and time of the meeting. The Ministry,
supervisory authority, and members of the association shall be notified at least 15 days prior to the specified date. The Ministry and supervisory authority may delegate a representative to attend the meeting.

3. The general assembly shall hold an ordinary meeting at least once every fiscal year, provided that the first meeting of each year is held during the first four months of that year.

4. The general assembly shall hold its extraordinary meetings pursuant to a reasoned request from the Ministry or the board of directors, or upon the request of not less than 25% of the members who have the right to attend the general assembly.

5. A general assembly member may delegate – in writing – another member to represent him in attending the general assembly, and a member may not act as a proxy for more than one member.

6. A general assembly member may not vote on any decision involving a personal interest, except for the election of board members.

Powers of the Ordinary General Assembly

**Article 14**
The ordinary general assembly shall have the following powers:

1. Reviewing and approving the auditor’s report on the financial statements for the ending fiscal year.
2. Approving the draft estimated budget for the new fiscal year.
3. Reviewing the board of directors’ report on the activities of the association for the ending fiscal year and the proposed plan for the new fiscal year, and taking necessary action.
4. Approving the investment plan of the association’s funds and proposing areas of investment.
5. Electing board members, renewing their membership terms, and relieving the previous board from liability.
6. Appointing a licensed auditor to audit the association’s accounts, and determining his fees.

Powers of the Extraordinary General Assembly

**Article 15**
The extraordinary general assembly shall have the following powers:

1. Deciding on the resignation of any board member or the termination of his
membership, and filling vacancies on the board by election.

2. Annulling any decision by the board of directors as it deems appropriate.

3. Proposing the association’s merger with another association.

4. Approving charter amendments.

5. Voluntarily dissolving the association.

The decisions of the extraordinary general assembly issued with regard to the powers provided for in paragraphs (3), (4), and (5) shall only take effect upon completion of the necessary procedures in accordance with the provisions of the Law.

Article 16

The general assembly (ordinary or extraordinary) may not discuss matters not on the agenda.

Article 17

1. An ordinary or extraordinary meeting of the general assembly shall be deemed valid if attended by more than half of its members; otherwise, the meeting shall be postponed and it may be held within a minimum period of one hour and a maximum of 15 days from the date of the first meeting. In such case, the ordinary general assembly meeting shall be valid regardless of the number of attending members. As for the extraordinary general assembly meeting, the attendance shall not be less than 25% of the total number of members.

2. Decisions of the ordinary general assembly shall be passed by a majority of attending members.

3. Decisions of the extraordinary general assembly shall be passed by a majority of two thirds of attending members.

Article 18

1. The general assembly shall elect members of the association’s board of directors by secret ballot.

2. The Ministry may delegate a representative to attend the election to ensure compliance with the charter.

3. The Ministry may annul the result of the election if it is established that the result was based on violations of this Law, the Regulations, or the charter, within 30 days from notification of the result.

4. It shall not be permissible to combine a position in the association and membership of the board of directors except upon the Ministry’s approval and in accordance with the Regulations.
Article 19

1. The Minister may, pursuant to a reasoned decision, dismiss the association’s elected board of directors and appoint an interim board of directors in either of the following cases:

a) If the number of board members falls – for any reason – below the quorum required for board meetings as stipulated in the charter, and it is not possible to complete the number of board members as provided for in the Law.

b) If the board of directors violates any of the provisions of the Law, Regulations, or charter, and the violation is not rectified within one month from the written notification issued by the Ministry.

2. The interim board of directors shall call for a general assembly meeting within 60 days from the date of its appointment and shall present to the general assembly a detailed report on the association. The general assembly shall, in the meeting, elect a new board, and the interim board shall terminate upon the election of the new board.

Article 20

An association’s board of directors shall submit to the Ministry a detailed annual report approved by the general assembly on the financial statements for the ending fiscal year, within four months from the end of the fiscal year. The report shall include a description of the association’s activities, an audited financial report, and a copy of the estimated budget for the new year.

Article 21

An association shall:

1. keep at its headquarters its documents, correspondence, and records in accordance with the provisions of the Regulations;

2. enter in an independent record the name of each association member, his particulars, address, the date he joined the association, paid membership fees, if any), and any changes to such data;

3. enter in an independent record the proceedings and decisions of the general assembly and board meetings, as well as the decisions issued by the association’s chief executive officer upon authorization by the board of directors. Each member shall have access to such record;

4. keep a record of its accounts in ledgers detailing revenues and expenditures;

5. hire a licensed auditor to audit its accounts;

6. deposit its cash funds under its name with one of the banks in the Kingdom and refrain from using such funds for purposes other than those they are allocated for. Disbursement from such funds may only be made by the joint signature of two officials authorized by the board. The charter shall specify these two officials;
7. make available at its headquarters or on its website the audited financial statements at least one week prior to the date of the general assembly meeting;
8. comply with the provisions of Sharia, public order, public morality, and the provisions of this Law, its Regulations, and other laws and regulations as well as all that preserves national unity;
9. issue a membership card for each of its members;
10. dispose of received zakat in accordance with the provisions of Sharia only;
11. refrain from investing its funds in financial speculations; and
12. refrain from receiving aid from outside the Kingdom except upon the Ministry’s approval, in accordance with controls set in the Regulations.

Article 22
An association may be voluntarily dissolved pursuant to a decision by the extraordinary general assembly in accordance with the provisions of this Law and the charter.

Article 23
1. The Minister may – by a reasoned decision and upon notification – provisionally suspend or dissolve an association, or merge it with another association in any of the following cases:
   a) If the number of members falls below five.
   b) If it deviates from its objectives or commits serious violations of this Law, the Regulations, or charter.
   c) If it becomes incapable of meeting its financial obligations.
   d) If it disposes of its funds for other than the designated purposes.
   e) If it violates the provisions of Sharia, public order, or public morality, or commits any act that undermines national unity.
2. If the Ministry establishes that serious violations were committed affecting the execution of a contract concluded by the association with a government or private agency for the management of an entity affiliated therewith or for carrying out any of its projects, programs, or services, the Ministry may – upon consultation with the agency – provisionally suspend the execution of the contract pending rectification of such violations, or termination of the contract.

Article 24
Officers managing the association which was suspended provisionally, dissolved, or merged with another association pursuant to a decision by the Minister, may not liquidate said association or dispose of its funds or documents, except as stipulated by the Regulations.
Designation as Public Benefit

Article 25
An association shall be designated as a public benefit association if its purpose is to achieve public interest, provided that this is specified in its establishment license. The granting or revocation of such designation – following licensing – shall be pursuant to a decision by the Minister, and the Regulations shall specify relevant provisions.

Article 26
1. Funds of public benefit associations may not be subject to attachment or enforcement except pursuant to a judicial ruling.
2. A public benefit association may seek expropriation of property it needs within its public benefit purposes. In such case, the provisions of the Law of Eminent Domain and Temporary Taking of Property shall apply to the extent compatible with the nature of this association’s activities, provided that the expropriation decision is issued by the Minister and the association pays the necessary compensation.

Article 27
A government or private agency may contract a public benefit association to manage an entity affiliated therewith or execute some of its projects, programs, or services falling within its powers. The Regulations shall define the contractual relationship between the two parties.

Article 28
Unless otherwise stipulated in a specific provision, the provisions set forth in this Law regarding associations shall apply to public benefit associations.

Civil Society Organizations

Article 29
Resources of an organization shall consist of the funds allocated by its founder(s) as well as endowments, grants, or bequests, and the organization may accept donations upon approval by the Ministry.

Article 30
The organization’s charter shall include the following:
1. The organization’s name, geographical area covered by its work, and its main office.
2. Name(s) and particulars of the founder(s).
3. Objectives of the organization.
4. Cases of voluntary dissolution, if any, and relevant regulating provisions.
5. A detailed statement of the funds allocated to the organization, procedures for liquidation in case of dissolution, and the entity to which the funds and documents shall devolve.
6. Provisions governing the management of the organization, including formation of the board of trustees and appointment of the chief executive officer as well as the duties and powers of each.

Article 31
Each organization shall have a board of trustees consisting of at least three members to be appointed by the founder(s) or any other person authorized to do so by the Regulations. The Ministry shall be notified of the appointment and of any change to the board of trustees. In the absence of a board or the existence of one vacancy, or more, on the board and such vacancy cannot be filled as specified in the charter, the Ministry shall take necessary action as specified in the Regulations.

Article 32
The board of trustees shall manage the organization in accordance with the provisions of the Law, Regulations, and charter. The chairman of the board shall represent the organization before courts and third parties and he may, upon the approval of the board of trustees, delegate such power to whomever he deems appropriate.

Article 33
An organization shall have an annual budget and a balance sheet. It may, upon the Ministry’s approval, suffice to have a statement showing its revenues, expenses, and expenditure channels according to the nature of allocated funds in accordance with the charter.

Article 34
The Ministry shall maintain a register for organizations. The Regulations shall set forth provisions relating to such register, registration procedures, and the required data.

Article 35
1. An organization may not be voluntarily dissolved or merged into another organization without the approval of the founder(s), or as stipulated in the charter.
2. The Ministry shall take action – in cases specified in Article 23 – as necessary to preserve the organization’s funds and ensure its continuity, and
it may, to this end, dismiss the board of trustees or any of the organization’s executive officers or suspend its activities temporarily, provided that the organization may only be dissolved if it is proven that it is unable to meet its financial obligations or achieve its objectives, taking into consideration the instructions and conditions of the founder(s) and provisions of the charter.

3. Any action taken by the Ministry – on the basis of paragraph (2) of this Article – shall be pursuant to a reasoned decision by the Minister after notifying the organization.

Article 36
If an organization is dissolved in accordance with Article 35 and it had received a subsidy from the State or had been allowed to collect donations, the disposal of the funds obtained from those subsidies or donations shall be as prescribed by the Regulations.

Article 37
Unless otherwise stipulated in a specific provision, the provisions set forth in this Law regarding associations shall apply to organizations, with the exception of the provisions relating to public benefit associations and provisions relating to government subsidies.

Council of Associations and Organizations

Article 38
The Minister may set up a council for associations and another council for organizations. The Regulations shall specify the manner of formation of each council, its powers, the regulation of its financial and administrative affairs, and other provisions relevant to each council.

General Provisions

Article 39
1. Public benefit associations may collect donations. Other associations may, upon the Ministry’s approval, collect donations for the implementation of specific programs. In all cases, associations shall comply with relevant laws, instructions, and controls issued by the competent authorities.

2. Associations and organizations may not conclude contracts or enter into agreements with states or international organizations or entities, except upon the approval of the Ministry and the competent authority.

3. An association or organization may not deviate from its set objectives, nor
engage in activities or actions that undermine public order or incite feuds and disunity among citizens.

**Article 40**

Decisions issued by the Ministry in the implementation of the provisions of this Law shall be subject to appeal before the Administrative Court within 60 days from the date of knowledge thereof. The Court shall expeditiously decide on the appeal.

**Article 41**

The provisions of this Law shall apply to charities established pursuant to royal orders, with the exception of the following:

1. Existence of a specific provision in the charter of the organization.

2. Provisions the Council of Ministers deems inapplicable to such organizations.

**Article 42**

The Minister shall issue the Regulations within 90 days from the date of publication of the Law.

**Article 43**

This Law shall repeal the Charitable Associations and Organizations Regulations issued by Council of Ministers Resolution No. 107 dated 25/6/1410H and all provisions conflicting therewith.

**Article 44**

This Law shall enter into force after 90 days from the date of its publication in the Official Gazette.