

Cabinet Resolution No. (96) of 2022
Concerning the Executive Regulation of Federal Law No. (3) of 2021
Regulating Donations

The Cabinet,

- Having reviewed the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and the Powers of Ministers, as amended; and
- Federal Law No. (3) of 2021, Regulating Donations; and
- Federal Decree-Law No. (31) of 2021, Promulgating the Crimes and Punishments Law; and
- Federal Decree-Law No. (34) of 2021, On Combating Rumours and Cybercrime; and
- Federal Decree-Law No. (46) of 2021, Concerning Electronic Transactions and Trust Services; and
- Federal Law No. (8) of 2022, Concerning the Organization of the Ministry of Foreign Affairs and International Cooperation; and
- Based on the proposal of the Minister of Community Development, and the approval of the Cabinet;

Has resolved:

Article (1)

Definitions

The definitions stated in the aforementioned Federal Law No (3) of 2021 shall apply to this Resolution; otherwise, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

- Law** : Federal Law No. (3) of 2021 Regulating of Donations.
- Advertising and Publicity for Donations** : Any means whose aim is to go to the public to collect, receive, or provide donations, whether this is done by displaying or publishing in writing, drawing, image, symbol, sound, or other means of expression through all visual, audio, print, and other media.

Fiscal Year	: Twelve Gregorian months, starting as of the first of January and ending on the 31st of December of each year.
Efficiency Measurement and Evaluation	: It shall be considered a system through which the competence and evaluation of licensed entities and entities authorised to collect and provide donations shall be measured and evaluated according to a set of approved indicators mentioned herein.
Beneficiary	: Any natural or legal person to whom donations and aid shall be provided, inside or outside the State.
Information Exchange Permit	: A written approval from the entity beneficiary of the donations, in which it authorises the Competent Authority to share information about the donations it has received with authorised entities and licensed entities.

Article (2)

Efficiency Measurement and Evaluation System

The efficiency and evaluation of licensed entities and authorised entities to collect and provide donations shall be measured by the following indicators:

1. The percentage of fundraising costs out of total donations;
2. Degree of adherence to fundraising controls and procedures;
3. Percentage of commitment to spending the donations for the purposes for which they were collected;
4. The target amount compared to the achieved amount;
5. Percentage of beneficiaries whose approval of the information exchange permit was taken out of the total number of beneficiaries; and
6. Any other indicators are to be agreed upon in coordination with the local authorities.

The evaluation of these entities shall be based on the following evaluation levels (excellent – good – poor).

Article (3)

Administrative and Operating Expenses for Fundraising

1. Licensed non-governmental entities may, after the prior approval of the Competent Authority, deduct a percentage of the donations in order to carry out their objectives and cover the administrative and operational expenses necessary for the fundraising process, according to the following controls:
 - a. The deduction percentage shall not exceed (15%) of the total donations collected through normal means.
 - b. The deduction percentage shall not exceed (5%) of the total donations collected through electronic means.
 - c. The deduction percentage shall not exceed (40%) of the total revenues of concerts, exhibitions, charitable markets, auctions, or charitable events, and in all cases, it should be as follows:
 1. The tickets required to obtain a permit shall not exceed the capacity of the concert venue, and the delegates of the Competent Authority shall have the right to enter the venue of the concert to observe it, and the organising entity shall reserve at least two seats for them.
 2. Free tickets shall not exceed (10%) of the total number of authorised tickets.
 - d. The licensed entity shall submit reports to the Competent Authority on the administrative and operational expenses of the fundraising process.
2. The head of the Competent Authority may amend the percentages mentioned in this Article not to exceed (10%), according to the nature and procedures of the work required in the fundraising process whenever there is a justification in this regard.

Article (4)

Conditions to Issue Permits

Issuance of the Permit shall require the following:

1. All conditions and data mentioned in Article (7) of the law shall be met;
2. The fundraising charitable organisation shall be approved by the Competent Authority to collect donations for the benefit of others;

3. The purpose of fundraising shall be specific and clear and not inconsistent with the legislation in force in the State;
4. The measurement of the competence and evaluation of the authorised entity shall be good according to the approved indicators, with the exception of when submitting the permit application for the first time;
5. Submitting a copy of the publicity and advertising work related to the fundraising; and
6. The value of the donations to be collected shall be determined.

Article (5)

Permit Granting Procedures

The permit application shall be submitted in accordance with the following controls and procedures:

1. The permit application shall be submitted to the competent authority according to the form prepared for this purpose; and
2. The application shall be submitted twenty (20) days at least before the date specified for the donation process. The Competent Authority may make an exception from this term if there is a justification.

The Competent Authority may seek the parties opinion related to the purpose for which the donations shall be collected.

Article (6)

Authorisation Term

The term of the permit shall not exceed one year, and the Competent Authority may extend it for a similar term upon the request of the authorised entity whenever there is a justification in this regard.

Article (7)

Permit Extension Procedures

1. The permit extension application shall be submitted at least (15) fifteen days prior to its expiry.
2. Determining the reasons for the extension request and its term.
3. The extension request shall be studied in accordance with the procedures stipulated in the law and this resolution.

Article (8)

The Permit Term Exceeds the Fiscal Year

1. In the event that the term of the permit for the authorised entity exceeds the fiscal year in which it was issued, this permit shall be counted within the number of permits granted to the authorised entity for the new fiscal year.
2. The authorised entity shall submit a detailed financial report that includes the proceeds of donations at the end of the fiscal year in which the permit was issued and the donations required to be collected during the new fiscal year.

Article (9)

Maintaining a Record of Donations by the Local Entity

The local entity shall maintain an electronic record in which all data and information related to fundraising permits issued by it are recorded as follows:

1. The name and data of the authorised entity;
2. Permit number, date and term;
3. The name of the charitable organisation carrying out the fundraising process;
4. The purpose of the fundraising;
5. Fundraising method;
6. Fundraising places;
7. A statement of the total proceeds of donations;
8. A statement of the expenses incurred in the donation process; and
9. Any other data specified by the Ministry.

The local entity shall keep these records for a term of no less than (10) ten years, and these records may not be destroyed or disposed of except in accordance with the legislation in force in the State.

Article (10)

Means of Collecting and Making Donations

1. Monetary donations shall be collected after the approval of the Competent Authority through any of the following means:
 - a. Cash boxes, coupons, or cash donations against receipts.
 - b. Short text messages.
 - c. Concerts, markets, exhibitions, auctions and charity events.
 - d. Monthly deductions from personal accounts.
 - e. Fundraising bank accounts.
 - f. Various marketing and promotional offers and the attached request for donations.
 - g. Automated teller machines of licensed banks in the State.
 - h. Digital platforms approved by the Competent Authority for fundraising.
 - i. Social media.
 - j. Direct deposits into bank accounts.
 - k. Different media
2. Any other means approved by the Ministry in coordination with the local entity.
3. Monetary donations shall be made through any of the following means:
 - a. Bank transfers to beneficiary accounts.
 - b. Bank transfers in the names of the beneficiaries through the various exchange companies.
 - c. Bank transfers to the accounts of the beneficiaries through the various exchange companies.
 - d. Bank checks in the names of the beneficiaries, taking into account that they shall be deposited in the bank accounts of the beneficiary of the legal person.
 - e. Any other means approved by the Ministry in coordination with the local entity.
4. The Competent Authority shall determine the means of collecting and submitting in-kind donations.

Article (11)

External Donations Receiving

Receiving donations from outside the State to licensed and authorised entities shall be in accordance with the following controls:

1. An application shall be submitted to the Competent Authority according to the form prepared for this purpose.
2. The form shall include the following data:
 - a. The following data and information of the donor:
 1. The name of the person or entity wishing to donate.
 2. The state of headquarters.
 3. The main activity of the donor.
 4. The amount or type of donation.
 5. The purpose of the donation.
 6. Bank account details of the donor.
 - b. The following data and information of the applicant:
 1. Authority Name.
 2. Licensing data.
 3. The main activity of the entity.
 4. Bank account details.
 5. Any other data specified by the Competent Authority.
3. The Competent Authority shall study the application in coordination with the concerned authorities, and issue its resolution to approve or reject the application within (20) twenty days as of the date of receiving the application. The lapse of this term without a response shall be considered a rejection of the application.
4. In the event of approval, the Competent Authority shall issue a no-objection certificate addressed to the bank of the licensed entity or the authorised entity regarding the receipt of these donations through the bank account of this entity.
5. The licensed and authorised entities shall record the data of the donations received from outside the State through the electronic records of the local entities that fall within their jurisdiction and provide them with detailed reports on aspects and methods of a disbursement within a term not exceeding (15) fifteen days.

6. Local entities shall provide the Ministry with reports of donations from outside the State obtained by licensed or authorised entities within their jurisdiction within a term not exceeding (15) fifteen working days as of the date of registration of these donations in their electronic records.

Article (12)

Delivery of Donations Outside the State

The delivery, submission, or transfer of donations to any person or entity outside the State shall be limited to the controls and procedures in force at the Ministry of Foreign Affairs and International Cooperation.

Article (13)

Money Transfers

Banks and financial institutions in the State may not make any financial transfers outside the State from bank accounts for donations except in accordance with the controls and procedures set by the Ministry of Foreign Affairs and International Cooperation.

Article (14)

Classification Certificate

To grant charitable or humanitarian status to associations, bodies, or civil institutions of public interest, the following conditions and controls shall be met:

1. Classification controls:
 - a. The entity shall submit a classification request to the Competent Authority according to the form prepared for this purpose.
 - b. The classification request shall include the following:
 1. A copy of the declaration, licensing or incorporation resolution of the entity.
 2. About the entity.
 3. The main activities of the entity.
 4. Articles of Association or Memorandum of Association.
 5. Report of the most significant achievements.

6. Report on the entity expenditures on charitable and developmental projects and initiatives, and the beneficiary cases supported by the entity final account.
 7. Any data or documents required by the Competent Authority.
 - c. The Competent Authority shall study the classification application and issue the certificate within (30) thirty days as of the date of submission of the application.
 - d. The classification certificate shall bear (the name of the entity - the main field or activity of the entity - the entity classification as "charitable or humanitarian").
 - e. The classification certificate shall be granted for a term of two years and shall be renewed for similar terms in accordance with the terms and conditions stipulated in this Article.
2. Classification terms:
- a. To be granted charitable status, the following shall be required:
 1. The main activity of the entity shall be based on the implementation of charitable and developmental initiatives and projects and the provision of material and in-kind assistance to all groups and segments of society.
 2. The entity shall have the material and human resources and capabilities that enable it to manage the fundraising process.
 3. The entity shall have an integrated system to research and study the status of the beneficiaries and the extent of their need for support.
 4. The entity shall manage the fundraising process on its own and without assigning to it a third entity, except for the means that require the fundraising.
 5. The entity shall abide by the applicable controls and procedures when delivering, presenting, or transferring donations outside the State.
 6. The percentage of the entity expenditures on charitable and development initiatives and projects and beneficiary cases shall not be less than (70%) of the total revenues of donations and charitable activities during the fiscal year.
 7. Any other conditions set by the Competent Authority.
 - b. For the granting of humanitarian status, the following shall be required:
 1. Among the activities of the entity is to provide material or in-kind assistance to a specific group of society.
 2. The entity shall have a system to research and study the case of the beneficiary group and the extent of its need for support.

3. The percentage of the entity expenditures on beneficiary cases shall not be less than (50%) of the total annual donation revenues.
4. Any other conditions set by the competent authority.
3. In all cases, the extent to which they depend on the funds of their founders in financing their programmes and projects, and the extent to which their names are linked to the names of the founders, shall be taken into consideration when classifying civil institutions of public interest.
4. The associations, bodies, and civil institutions that a resolution shall be issued to classify within the charitable category shall have the powers and obligations of charitable associations according to the definition and provisions of the law and this resolution.
5. Associations, bodies and civil institutions classified under the humanitarian category are given priority for exception from the number of permits specified for the authorities during one year in accordance with Article (10) of the law.
6. The Competent Authority may revoke the charitable or humanitarian status of any of the classified entities in the event of a breach of any of the controls and conditions stipulated in this Article.

Article (15)

Dealing with Bank Accounts that Contain Violating Donations

1. The Competent Authority, in accordance with the legislation in force, may request the freezing, suspension or closure of bank accounts in which donations collected in violation of the provisions of the Law and this Resolution and the resolutions issued for their implementation shall be deposited.
2. The competent court shall order the confiscation of donations collected in violation of the provisions of the Law, this Resolution, and the resolutions issued in implementation thereof.

Article (16)

Accounting Records to Organise Donations

1. The licensed and authorised entities shall maintain regular electronic accounting records in which all data and information related to the fundraising shall be recorded, provided that they shall include the following data:

- a. Donation sources.
 - b. The proceeds of donations.
 - c. The purpose of the fundraising.
 - d. Aspects and methods of spending donations.
 - e. Beneficiaries.
 - f. Any other details requested by the Competent Authority.
2. The entities referred to in Clause (a) of this Article shall keep such records for a term of no less than (10) ten years and may not be destroyed or disposed of except after the approval of the Competent Authority.

Article (17)

Licensed Parties Obligations

1. The authorised entities shall provide the Competent Authority with the following:
 - a. Periodic reports on the donations that it collects, stating the amount of funds that have been collected, the methods of their disbursement, and any other regulations or data specified by the Executive Regulations of this law.
 - b. Reports and periodic statements of the names and data of those in charge of fundraising.
 - c. Periodic reports on the beneficiaries.
 - d. Any other details requested by the Competent Authority.
2. The entities referred to in Clause (1) of this Article shall be committed to using the information systems specified by the Competent Authority and to implement the electronic link with them when requested.

Article (18)

Obligations of Charitable Societies

When managing and fundraising for the benefit of authorised entities, charities shall comply with the following:

1. Permits conditions and regulations.
2. Providing the authorised entities with periodic reports on the fundraising process.

3. The authorised entities shall deliver the proceeds of fundraising within a term not exceeding (30) days as of the date of the expiration of the permit.
4. The administrative and operational percentages specified for the fundraising process in accordance with Article (3) of this resolution.
5. Maintaining regular electronic records to record donations resulting from permits for no less than (10) ten years. Such records may not be destroyed or disposed of except after the approval of the Competent Authority, provided that such records shall include the following data:
 - a. The name of the authorised entity.
 - b. Permit number, date and term.
 - c. The purpose of the fundraising.
 - d. Fundraising method.
 - e. Fundraising places.
 - f. The amount of fundraising.
 - g. Any other details requested by the Competent Authority.

Article (19)

The Unified Electronic Record

1. The Ministry shall prepare a unified electronic record that includes the following:
 - a. All data and information about donors.
 - b. Fundraising proceeds and aspects of disbursement.
 - c. Beneficiaries or individual beneficiaries.
 - d. Any other data or information identified within this record.
2. The licensed entities shall designate a liaison officer from the concerned departments or divisions to undertake the entry of donations data and information in the unified electronic record in accordance with the mechanisms and procedures followed by the Ministry. Licensed entities may request to link their electronic systems directly with the Ministry registry or through local authorities in accordance with the rules set by the Ministry in this regard.
3. Authorised entities shall record data and information related to donations in this register within a term not exceeding (15) fifteen days as of the date of receiving the donations.

4. Local authorities shall ensure that the licensed and authorised entities that fall within the scope of their jurisdiction record all data and information related to donations in the unified electronic record. And
5. The Ministry may share information about the beneficiary of the donations and their amount with local entities, licensed entities, and authorised entities, in order to control the duplication of disbursement to the beneficiary in accordance with the following controls:
 - a. Undertaking by the entity that obtained the information to maintain its confidentiality and not to publish it.
 - b. Existence of an information exchange permit according to the form approved by the competent authority.

Article (20)

Converting In-Kind Donations into Cash

In-kind donations may be converted into cash whenever necessary, after obtaining the approval of the Competent Authority in accordance with the following controls and procedures:

1. In-kind donations shall be measurable and transferable;
2. A request shall be submitted to the Competent Authority at least (15) fifteen days prior to the date specified for the transfer, unless such donations are perishable or not distributable, in which case the request may be submitted urgently. In all cases, the request shall include the following:
 - a. A detailed statement of the in-kind donations to be transferred, their source and purpose, supported by photos and documents.
 - b. Estimated value of these donations.
 - c. Reasons and justifications for conversion.
 - d. Transfer date and procedures.
 - e. The costs involved in the transfer procedures.
3. The Competent Authority shall supervise the transfer process and procedures. And
4. The amounts resulting from the transfer process shall be deposited in the bank accounts of the licensed or authorised entity within (7) seven days as a maximum as of the date of the transfer and the Competent Authority shall be notified.

Article (21)

Special Systems for Obtaining Information

1. The licensed and authorised entities shall set up the systems that guarantee access to the data and information of the donors and the beneficiaries of the donations, provided that the data and information shall include the full name of the donor and the beneficiary, contact details, and permission to exchange information in the event of the approval of the beneficiary, and in the event that the donor or beneficiary is a legal person. The data and information shall include a copy of the licence or establishment resolution, data, and information of the person responsible for the actual management of the legal person, including the full name, contact information, job title, and any other data or information specified or requested by the Competent Authority.
2. The value of cash donations may not exceed (AED10,000) ten thousand dirhams. If it is more than that, it shall be through remittances, bank deposits, or checks, whether when receiving donations from donors or delivering them to beneficiaries.

Article (22)

Permit Suspension

The Competent Authority shall suspend the fundraising permit in the event that the charitable association or the authorised entity violates the terms and conditions of the permit, as follows:

1. The Competent Authority shall prepare a report on the violation committed by the charity or the authorised entity;
2. The violator shall be notified of the committed violation, and a date is set to respond thereto. Failure to respond within the specified time shall be considered an admission of violation;
3. Studying the violation after the expiry of the deadline for responding thereto, and issuing a resolution to suspend the permit;
4. In the event that the violation is on the part of the charitable association, the authorised entity may request to replace it with another charitable association, and in this case the permit will be issued for the remaining term thereof; and
5. In the event of a violation by the authorised entity, the permit will be permanently suspended, and a resolution will be issued by the Competent Authority to transfer the collected funds, if any,

for the benefit of any of the associations or entities working for the same purpose for which the donations are collected.

Article (23)

Advertising and Publicity for Fundraising Works

The licensed and permitted entities shall abide by the advertising content standards and conditions issued by the Competent Authorities in the State when publishing or broadcasting publicity and advertising for fundraising. Advertising and publicity means shall include the following:

1. Advertising in various media.
2. Phone calls.
3. Correspondences and letters regarding the request for donations.
4. Ads on different websites.
5. Display fundraising bank account numbers through any means of advertising.
6. Digital platforms approved by the Competent Authority for fundraising.

Article (24)

Permit Expiry

1. In addition to the cases stipulated in Article (32) of the law, the permit to collect donations ends if the amount of donations reaches the target amount.
2. The charitable association and the authorised entity shall abide by the following controls in the event that the fundraising permit expires:
 - a. Not receiving any donations after the expiry of the permit.
 - b. Cease and remove all publicity and advertising related to the fundraising permit.
 - c. Notify the Competent Authority of the procedures that have been taken.
3. In the event that the amount of donations exceeds the target amount, the Competent Authority shall determine how to dispose of the excess amount.
4. In the event that the legal personality of the authorised entity ceases to exist, the Competent Authority shall determine the manner of disposing of the proceeds of the donations.

5. In the event that the legal personality of the charitable association carrying out the fundraising process ceases to exist, the authorised entity may request the completion of the permit with another charitable association.

Article (25)

Executive Resolutions

The Minister shall issue the Resolutions necessary to apply the provisions of this Resolution.

Article (26)

Repeals

Any provision that violates or contradicts the provisions of this Resolution shall be repealed.

Article (27)

Resolution Publication and Enforcement

This Resolution shall be published in the Official Gazette and enter into force as of the day following the date of its publication.

Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by Us:

On: 18 Rabi` al-Awwal 1444 A.H.

Corresponding to: 14 October 2022 AD