

PROCLAMATION NO. -----/2008

CHARITIES AND SOCIETIES PROCLAMATION NO. 00/2008

WHEREAS it is found necessary to enact a law in order to ensure the realization of citizens' right to association enshrined in the Constitution;

WHEREAS it was found necessary to promulgate a law to aid and facilitate the role of Charities and Societies in the overall development of Ethiopian people;

NOW THEREFORE, in accordance with Article 55 (1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows.

**SECTION ONE
GENERAL**

1. Short title

This Proclamation may be cited as the Federal Charities and Societies Proclamation No ----00/2008.

2. Definition

1. "Budget Year" shall mean the year beginning from 1st January to 31st of December (G.C) or from Hamlie 1 to Sene 30 (E.C) as the case may be.
2. "Ethiopian Charities" or "Ethiopian Societies" shall mean those charities or societies that are formed under the laws of Ethiopia and all of whose members Ethiopians and are funded or controlled by Ethiopians. However, they may be deemed as Ethiopian charities or Ethiopian societies if they receive money from foreign not more than ten percent of their total asset.
3. "Foreign Charities" or "Foreign Societies" shall mean those charities or societies that are formed under the laws of foreign countries or which consist of member who are foreign nationals or controlled by foreign nations or receive funds from foreign sources.
4. "Charities or Societies of Ethiopian Residents" shall mean those charities or societies whose members reside in Ethiopia, more than 10% of whose total revenue originates from foreign sources and that are formed under the laws of Ethiopia.

5. "Ministry" and "Minister" shall respectively mean the Ministry and Minister of Justice of the Federal Democratic Republic of Ethiopia.
6. "Officer" shall mean a person having the general control and management of the administration of a charity or society.
7. "Persons" shall mean any physical or juridical persons.
8. "Place of Business" shall mean the place where a person records and books of count are kept or the place where a person conducts business.
9. "Public Collection" shall mean an appeal in any public place or by means of visits to places of business or residence; for money or other property whether for consideration or otherwise and which is made in association with a representation that the whole or any part of its proceeds is to be applied for charitable purposes and shall not include appeal made on a land or building used for the purposes of worship or burial or any land adjacent to it.
10. "Rules" shall include the objects for which a charity or society is formed or which it may pursue, or for which its funds may be applied; the qualifications for membership and for the holding of any office; the method of appointment or election to any office; the rules by which the charity or society is to be governed; and the method and manner by and in which any of the above matters may be amended.
11. "Sector Administrator" shall mean any government institutions appointed according to Article 65 of this Proclamation.
12. "Mass Based Societies" shall include professional associations, women's associations, youth associations and other similar Ethiopian societies.

3. Scope of Application

1. This Proclamation shall apply to the following:
 - a. charities and societies that operate in more than one state;
 - b. charities and societies of Ethiopian residents even where they operate only in one state; and
 - c. charities and societies operating in the city governments of Addis Ababa or Diredawa.

2. This Proclamation shall not apply to the following:
 - a. religious organizations;
 - b. international and foreign charities and societies operating in Ethiopia by virtue of an agreement with the Government of the Federal Democratic Republic of Ethiopia; and
 - c. traditional self-help and saving associations ("Edirs" and "Ekubs")

SECTION TWO

THE CHARITIES AND SOCIETIES AGENCY

4. Establishment

1. The Charities and Societies Agency, hereinafter referred to as the Agency, is hereby established as a federal executive organ with its own legal personality.
2. The Agency shall be accountable to the Ministry.

5. Objectives of the Agency

1. The Agency shall have the following objectives:
 - a. to enable and encourage charities and societies to accomplish their missions according to the law.
 - b. to ensure the transparency and accountability of the operations of charities and societies; and
 - c. to supervise charities and societies to ensure that they operate according to the law.

6. Powers and Function of the Agency

1. The Agency shall have the following powers and functions:
 - a. to license, register and supervise charities and societies in accordance with this proclamation;
 - b. to encourage and facilitate the better administration of charities and societies;
 - c. to obtain, analyze and disseminate information relating to its functions;
 - d. to publish and distribute a gazette on charities and societies;

- e. to organize consultative forums for government organs and charities and societies;
 - f. to submit recommendations to the Ministry on ways of meeting its objectives;
 - g. to make decisions on the application of charities and societies for registration and license in cooperation with the concerned sector administrator;
 - h. without prejudice to the provisions of Proclamation No. 334/2003 (as amended) with regard to authentication and registration of documents, to exercise the powers of registration and documentation with regard to endowments and charitable trusts;
 - i. to collect fees and charges as approved by government for its services;
 - j. to own property, enter into contract, sue and be sued in its own name;
 - k. to delegate, when it deems it necessary, the powers and duties given to it by this Proclamation; and
 - l. to carry out such other similar activities necessary for the attainment of its objectives.
2. Notwithstanding Sub-Article 1 (h) of this Article, the Minister may order the Office of the Documents Authentication and Registration to open a branch office in the premises of the Agency or assign its officers.

7. Organization of the Agency

The Agency shall have:

1. A Charities and Societies Board (hereinafter referred to as "Board");
2. A Director General to be appointed by the Government; and
3. The necessary staff.

8. Members of the Board

1. The Board shall consist of seven members, including the chairman, to be appointed by the Government.
2. Two of the members to be appointed in accordance with Sub-Article 1 of this Article shall be selected from charities and societies.

9. Powers and Functions of the Board

The Board shall have the following powers and functions:

1. to submit recommendations to the Ministry on policy matters;
2. to provide solutions to problems relating to the administration of charities and societies;
3. to hear and decide on appeals against the decision of the Director of the Agency;
4. to approve directives prepared by the Agency according to this proclamation; and
5. to deliberate and decide on any issues regarding charities and societies and submitted to it by the Director of the Agency.

10. Meetings of the Board

1. The Board shall meet monthly. It may also meet any time for urgent matters.
2. More than half of the members of the Board constitute a quorum.
3. The Board shall make decisions on the basis of a simple majority. When there is a tie, the Chairman of the Board has the casting vote.
4. Without prejudice to the provisions of this Article, the Board can issue its own rules of procedure.

11. Powers and Functions of the Director General

1. The Director General shall be the chief executive of the Agency and shall, according to the law, direct and administer the activities of the Agency.
2. Notwithstanding the generalities of the Sub-Article (1) of this Article, the Director General shall:
 - a. exercise the powers and duties of the Agency specified under Article 6 of this Proclamation;
 - b. employ and administer employees in accordance with a directive based on the basic principles of federal civil service laws and approved by the Government;
 - c. prepare the work plan and budget of the Agency; and implement the same upon approval;

- d. effect expenditure in accordance with the budget and work program approved for the Agency;
 - e. represent the Agency in all its dealings with third parties; and
 - f. prepare and submit to the Ministry the activity and financial report of the Agency.
3. The Director General may delegate part of the directorial powers and duties to officials and employees of the Agency.

12. Budget

The Budget of the Agency shall be allocated by the Government.

13. Financial Accounts

1. The Agency shall keep complete and accurate financial accounts.
2. The financial accounts and finance related documents shall be investigated annually by the Office of the Auditor General or any auditor appointed by the Office of the Auditor General.

SECTION THREE

CHARITIES

Sub-Section I

General

14. Definition

1. A charity means an institution, which is established for charitable purposes and gives benefit for the public.
2. A charitable purpose shall include the following:
 - a. the prevention or alleviation or eradication of poverty or disaster;
 - b. the advancement and improvement of economic development and environmental protection;
 - c. the advancement of animal welfare;
 - d. the advancement of education;
 - e. the advancement of health or the saving of lives;
 - f. the advancement of the arts, culture, heritage or science;

- g. the advancement of amateur sport and the welfare of the youth;
 - h. the relief of those in need by reason of age, physical and mental disability, financial hardship or other disadvantage;
 - i. the advancement of capacity building on the basis of the country's long term development directions;
 - j. the advancement of the practical implementation of human and democratic rights;
 - k. the promotion of the equality of nations, nationalities, peoples, gender and religion;
 - l. the promotion and protection of the rights of children and the disabled;
 - m. the advancement of conflict resolution or reconciliation;
 - n. the promotion of the efficiency of the justice and law enforcement services; and
 - o. any other purposes as may be prescribed by directives of the Agency.
3. A public benefit shall be deemed to exist where:
- a. the purposes of the charity can generate an identifiable benefit to the public;
 - b. the purposes of the charity do not create a situation wherein its benefits exclude those in need; and
 - c. any private benefit of individuals and organizations could be acquired only incidentally and as a secondary consequence of the organization's activities.
4. The Agency may determine the details of charitable purposes and the public benefit by directives.
5. Only Ethiopian charities can take part in the activities that fall under Sub-Article 2 (j), (k), (l), (m), and (n) of this Article.

15. Types of Charities

- 1. A charity may be formed as:
 - a. a charitable endowment;
 - b. a charitable institution;
 - c. a charitable trust; or

- d. a charitable society.
2. Without prejudice to the provisions of Sub-Section (5) of this section relating to charitable committees, charities shall be established in the form of any of the charities listed under Sub-Article (1) of this Article and shall first obtain license and registration before undertaking any charitable activity.
3. Charities may form a consortium charity to coordinate their activities.

SUB-SECTION II CHARITABLE ENDOWMENTS

16. Definition

A charitable endowment is an organization by which a certain property is perpetually and irrevocably destined by donation or will or the order of the Agency for a purpose that is solely charitable.

17. Application for Registration

1. The registration of a charitable endowment may not be sought during the lifetime of the founder, except by the founder herself or her representative.
2. After the death of the founder, it shall be sought by the person to whom the founder has entrusted such task and who has accepted it or the testamentary executors of the founder's will.
3. In default of the persons in Sub-article (a) and (2), it shall be sought by those persons who have drawn up the act of endowment or who have been witnesses to it or who hold that act in deposit.
4. Where the persons who are bound to seek the registration of the charitable endowment fall to do so, the registration of the charitable endowment may be sought, three months after the death of its author, by the Agency or by any interested party.
5. The Agency shall draw up model rules for charitable endowments that may be of aid to those wishing to use such model.

18. Revocation of an Act of Endowment

1. The author of an act of endowment may revoke it so long as the charitable endowment has not been registered by the Agency.
2. The heirs of the founder may only exercise such right of revocation where the charitable endowment has not been registered by the Agency within 6 months from an application having been made to Agency with a view to obtaining its registration.

19. Structure of Charitable Endowments

Any charitable endowment shall be organized with the structure of Board of management, director, auditor and other departments as may be necessary.

20. Composition of the Board of Management

1. Where members of the board are not appointed by the founder or his appointee, the Agency shall arrange the conditions of their appointment.
2. Where a member of the board is, for any reason, unable to perform his duties a new member shall be appointed according to the rules of the endowment.
3. The number of members of the board shall in no case be less than three.

21. Powers and Duties of the Board of Management

1. The board of management is the supreme organ of the charitable endowment.
2. Appoint a director who is responsible to manage the endowment or dismiss the same;
3. Manage the endowment as per its rules.

22. Meetings of the Board of Management

1. The Board of management shall meet as prescribed by the rules of the charitable endowment.
2. The decisions of the Board of management shall be taken by majority.

23. Remuneration of Board Members

1. A member of the board shall not be entitled to remuneration unless a provision about his entitlement to remuneration has been made, by the charitable endowment's rules or by any law.

2. Payments made in connection with covering costs incurred by board members for the purpose of attending board meeting shall be considered as remuneration.

24. Powers and Functions of the Manager

1. Manage the charitable endowment; administer the endowment pursuant to its rules;
2. Represent the endowment in all its dealings with third parties;
3. Follow up and supervise the implementation of the decisions of the Board of Management;
4. Submit work plan and budget as well as reports on the activities and finance of the endowment to the Board of Management;
5. Study the conditions to promote income generating activities of the endowment and devise mechanisms for the generation of funds;
6. Sign on the bank account opened in the name of the endowment in accordance with its rules; and
7. Discharge other related tasks which may be given to him by the Board of Management.

25. Powers and Duties of the Auditor

The Auditor of a charitable endowment shall:

1. Supervise the financial and proprietary administration of the charitable endowment;
2. Prepare the internal audit report of the organization in accordance with standards acceptable in Ethiopia; and
3. Notwithstanding the provisions of this Proclamation regarding internal audits, charities have the option to use external auditors.

26. Determining of Beneficiaries

Where the person in whose favor the charitable endowment is constituted is not sufficiently determined by the founder, the board may determine such beneficiaries as it deems consistent with the intention of the founder.

SUB-SECTION THREE
CHARITABLE INSTITUTIONS

27. Charitable Institutions

1. A charitable organization is a charity formed by at least three persons exclusively for charitable purposes.
2. The provisions relating to the structure of charitable endowment shall apply, with the necessary adjustment, to charitable institutions.
3. Notwithstanding Sub-Article (2) of this Article, the rules of the institution may however provide that the charitable institution be structured in the form of a charitable society.

28. Duties and Responsibilities of Members

1. Each member of a charitable institution and any new member shall undertake to contribute to the assets of the in the event of its being dissolved while he is a member or within one year after he ceases to be member and of the charges and expenses of winding up such amount as may be required, not exceeding a specified amount.
2. The Agency may by directives determine the minimum amount of guarantee required for the registration of charitable institutions.

29. Application for Registration

Persons with the intention of forming a charitable institution shall apply to the Agency in accordance with article 69 of this Proclamation.

SUB-SECTION IV
CHARITABLE TRUSTS

30. Definition

A charitable trust is an organization by virtue which specific property is constituted solely for charitable purpose to be administered by persons the trustees, in accordance with the instructions given by the instrument constituting the charitable trust.

31. Formation

1. A charitable trust may be constituted by a donation or by a will or by order of the Agency.
2. Its constitution shall be subject, as regards form and substance, to the provisions of this proclamation and the provisions of the civil code relating to donations or wills.
3. An implied provision in the donation or will shall suffice for the constitution of the charitable trust.

32. Perpetuity of a Charitable Trust

1. A charitable trust may be constituted for a definite period.
2. Where a charitable trust is constituted for an indefinite period it shall be perpetual and irrevocable.

33. Application for Registration by Trustees

1. The person constituting the charitable trust shall appoint the trustees and such trustees shall apply, in the manner provided in article 69 to the agency for a certificate of registration.
2. The trustees may apply for the registration of the charitable trust within three months of constitution of the charitable trust.
3. The trustees may not perform any acts involving third parties before acquiring a certificate of registration except those acts necessary for transferring funds mentioned in the donation or will to the possession or ownership of the charitable trust.

34. Number of Trustees

1. The number of trustees shall not in any case be lower than 3 and more than 5. Where less than 3 persons are named the Agency shall arrange for the appointment the number of people required for fulfilling this requirement.
2. Where more than 5 persons are named as trustees, the 5 first named and who are able and willing to act shall alone be the trustees, and the other persons named shall not be trustees unless appointed on the occurrence of a vacancy.
3. Irrespective of sub article (1) the Agency may allow less than 3 persons as trustees where one or more of such trustee is a charity.

4. At least one of the trustees appointed under this article shall be an Ethiopian domiciliary.

35. Appointment of Trustees

1. The trustees may be appointed by the person constituting the trust, or by the person designated by him, or, in default of such person the Agency shall arrange for the same.
2. Where the trustee so appointed refuses his agency or is for any other reason unable to perform the trusteeship, a new trustee shall be appointed according to the rules of the trust.

36. Appointment of a Charity as a Trustee

1. If a person constituting a charitable trust appoints a charity as a trustee, the officers of the charity will administer the trust.
2. The charity provided in sub article (1) shall administer the trust by the terms of the will, donation or order of the Agency and distinguish it from other donations or income that it utilizes to achieve its purpose.

37. Structure of a charitable trust

1. Where the person constituting the charitable trust does not designate a trustee manager, a trustee treasurer and trustee auditor or does not appoint a person to do the same, the trustees shall among themselves make such designation.
2. The Agency shall make such designation where the trustees do not make any designation or are unable to make the required designation.
3. Where there are more than three trustees those who have not been designated under sub article (1) shall have all the rights and obligations of the other trustees except those inhering in the designated responsibilities.
4. The trustees shall among themselves choose the person who shall serve as the chairperson in the meetings of the trustees.

38. Administration of a Charitable Trust

1. The trustee manager shall perform all acts of management without the approval of the other trustees except where at least one of the trustees submits a written protest concerning any administrative act.

2. Decisions beyond acts of management and those decisions protested to under sub article (1) shall be taken by majority where at least three of the trustees are present.
3. Where opposing notions are supported by an equal number of trustees the final determination shall lie with the chairperson of the meeting.
4. Those who are against a decision taken under sub article (2) and (3) may require that their dissenting opinion be recorded in the minutes.
5. The trustees shall be individually liable for the *ultra vires* acts they take as officers of the trust.

39. Power of trustees

1. The powers of the trustees on the property which form the object of the charitable trust are those of an owner.
2. The trustees may not, however, alienate immovable property except with the authorization of the Agency, without prejudice to any provision to the contrary in the act of constitution of the charitable trust.
3. Subject to the provisions on small charities the trustees may not alienate the property of a charitable trust by a gratuitous title.

40. Representative of a Charitable Trust

1. The trustee manager shall represent the charitable trust. The trustee manager shall nominate the trustee who shall act in his stead and may also appoint an advocate to represent the charitable trust in any proceedings.
2. The charitable trust shall be liable sued in its own name for juridical acts done by the trustees within their powers.

41. Directions of the Constitutive Instrument

1. The trustee shall conform to the express instructions which he has received from the instrument constituting the charitable trust.
2. Irrespective of the provision of sub article (1) where the interest of the beneficiary of the charitable trust so requires, the trustee may obtain an authorization from the Agency to depart from such instructions.

42. Remuneration of Trustees

1. A trustee shall not be entitled to remuneration unless a provision about entitlement to remuneration has been made, by the trust instrument or by any law.
2. Subject to sub article (1) of this article, a trustee who acts in a professional capacity shall be entitled to receive reasonable remuneration out of the trust funds for any services that he provides to or on behalf of the trust if all the trustees have agreed in writing and approved by the Agency that he may be remunerated for the services.
3. A trustee is however entitled to indemnity for all personal expenses and obligations arising out of the administration of the charitable trust.

43. Liability of Trustees

The trustee shall be liable for the good management of the charitable trust, in accordance with the provisions relating to agency, to the beneficiaries of the charitable trust and where applicable to the persons who are to receive the property at the termination of the charitable trust.

44. Resignation of a Trustee

1. A trustee shall be liable for any consequent loss to the charitable trust where he does not notify the other trustees and the agency of his intention to resign two months prior to his resignation.
2. A trustee shall remain liable for the administration of the charitable trust until he hands over the trusteeship.
3. Where a trustee applies for resignation a new trustee shall be appointed by the person constituting the trust, by the person on whom such power has been conferred, or in default of any such person by the Agency 1 month prior to the expiry of the notice prescribed in sub article (1).

45. Attaching Charitable Trusts

1. The creditors of beneficiaries may in no case attach a charitable trust or any allowance to which a beneficiary is entitled.

2. The creditors of persons who are to receive the property forming the object of the charitable trust at the dissolution of the charitable trust may attach the property of the charitable trust and they may also replace the debtor at the time of termination..

46. Rights of Beneficiaries.

1. The beneficiaries may claim from the charitable trust the making over of the interest, which, according to the act of constitution of the charitable trust, is to accrue in their favor.
2. Where their rights are jeopardized, they may apply to the Agency to dismiss the trustee or to compel him to give appropriate guarantees.
3. the beneficiaries of the charitable trust have no right to dispose of or to administer the property forming the object of the charitable trust.
4. Irrespective of the provision of sub article (3), they may only do whose acts which preserve their rights, such as the interruption of a prescription in relation to such property.

SUB – SECTION V

CHARITABLE SOCIETIES AND CHARITABLE COMMITTEE

47. Definition

1. A Charitable Society shall mean a society which is formed for charitable purposes.
2. A charity committee is a collection of 5 or more natural persons who have come together with the intent of soliciting money or other property from the public for purposes that are charitable

48. Charitable Society

All appropriate provisions of this proclamation concerning societies and charities shall apply to charitable societies.

49. Approval of Charity Committees

1. Charities Committees may not collect funds or perform any other activities without acquiring an approval from the Agency.

2. Sub-article (1) of this article shall not apply to activities necessary for the formation of a charity committee.
3. The Agency shall consider articles 69 and 70 when approving a charity committee.

50. Statement of Accounts

1. A charity committee shall submit its annual statement of accounts to the Agency.
2. A charity committee should submit its statement of accounts at its dissolution where the length of time for which the charity committee is formed is not longer than 1 year.

51. Structure of a charity committee

1. The decision granting the approval of the charity committee shall specify the particulars of persons who constitute the charity committee and those who shall act as president, treasurer and auditor of the charity committee.
2. It shall specify the purposes of the charity committee and the time within which it has to achieve them.
3. It shall determine where appropriate the manner in which the activities of the charity committee may be carried out and prescribe such measures as are necessary to control the amount and the use of the funds collected by the charity committee. Particulars shall be determined by directives.

52. Liability of Members

1. The members of a charity committee shall be jointly and severally liable for its obligations and debts arising out of its activities.
2. Any donor, member, beneficiary, the Agency or the sector administrator shall have standing for the purpose of sub-article (1).

53. Insufficient Fund

1. Where the money or property collected by the charity committee is insufficient to attain the object which the charity committee proposed to achieve, or where achievement of its purpose becomes impossible, such money or property shall have the destination prescribed by the decision which has approved the charity committee.

2. In default of a provision to that effect, the money or property shall be placed at the disposal of the Agency and shall be destined for a similar charitable purpose in accordance with the provisions of this proclamation.

54. Balance

1. Where the money or property collected by the charity committee amounts to more than is necessary for the attainment of the proposed purpose, the balance shall have the destination prescribed by the decision approving the charity committee.
2. In the absence of any provision to that effect, it shall be placed at the disposal of the Agency and shall be destined for a similar charitable purpose in accordance with the provisions of this proclamation.
3. Persons who have given money or property to the charity committee may not take it back.

55. Change into a charitable Endowment

1. Where under the decision approving the charity committee the money or property collected by the charity committee is to be destined to a specific lasting object, a charitable endowment shall be constituted for the attainment of such object.
2. Where the money or property collected by the charity committee is significantly larger than what is necessary for the attainment of the proposed purpose, the members for a charity and apply to the Agency for registration as a charitable endowment.

**SECTION FOUR
SOCIETIES**

56. Definition

1. Society means any non-profit making civic, professional, mass organization, chamber of commerce, and sectorial associations, or any association organized for lawful purposes.
2. Societies may form a consortium society to coordinate their activities.

57. Legal Personality of Societies.

1. Societies shall acquire legal personality upon registration by the agency.
2. Membership in a society shall not be transferred or passed to third parties.

58. Rights and Obligations of Societies

1. Any society shall be open to a new member that fulfills the requirements of the society.
2. Any society shall be managed by persons elected through the full participation of all members.
3. Every member of any society shall have equal and one vote.
4. No society may admit or dismiss members except as provided by its rules.
5. The member of any society whose membership is terminated shall have the right to be heard by the executive organ before a final decision is made.
6. Where the society has federal character and nomenclature, its work place and composition of the members shall show the representation of at least five regional states.
7. Ethiopian mass based organizations may actively participate in the process of strengthening democratization and election, particularly in the process of conducting educational seminars on current affairs, understanding the platforms of candidates, observing the electoral process and cooperating with electoral organs.
8. The rules of any society shall be subject to modification by the request of majority of its members.

59. Structure of Societies

1. The organizational structure of any society shall be determined by its rules.
2. Notwithstanding sub article (1) of this article, no society may be organized without a General Assembly, executive organ and an auditor.
3. An auditor shall not assume the position of executive organ.

60. Powers and Duties of the General Assembly

The General Assembly shall;

1. Enact and amend the rules of the society.

2. Appoint and dismiss the auditor of the society and decide on his remuneration.
3. Decide on policy and strategy matters of the society.
4. It shall decide on all matters concerning the society which do not fall within the powers and duties of other organs of the society.
5. Decide on dissolution of the society.
6. Perform other functions given to it by the rules of the society.

61. Dissents from the Resolutions of the General Assembly

1. Any member of the society who has dissenting opinion may record his opinion separately in the minutes.
2. Any member of the society may apply to the Agency where he believes that the decisions taken by the General Assembly contravenes the law.

62. Meetings of the General Assembly

1. The meetings of the General Assembly shall be held as is provided for in the rules of the society.
2. Where the chairperson of the assembly fails to convene the meeting of the General Assembly in accordance with sub-article (1) of this Article, the Agency may upon request of one or more members or officers of the society convene the meeting of the General Assembly through the Chairperson or by its own.
3. Where the meeting of the General Assembly was convened in accordance with sub-article (2) of this Article, the Agency may where appropriate nominate a chairperson of the general meeting.
4. The chairperson of the general assembly shall give an accessible notice for the purpose of calling meetings.
5. A quorum of the society shall be as is provided for in its rules. Failing such provision a simple majority of the assembly shall constitute a quorum. The rules may not however provide that the quorum can be constituted by less than 50% of the members. Where the quorum is not fulfilled for two consequent meetings the quorum shall be deemed to have been fulfilled on

the third such meeting despite there not being a 50% presence upon the decision of the Agency.

6. Decisions of the General Assembly shall be taken by simple majority. In case of a tie, the chairperson shall have a casting vote. The meetings procedures of the society shall at all times conform to democratic principles.
7. A decision not relating to the items on the agenda of the General Assembly shall be of no effect.

63. Powers and Duties of the Auditor

The auditor shall have the following powers and functions.

1. Monitor the financial and proprietary administration of the society.
2. Prepare the internal audit report of the society in accordance with standards acceptable in Ethiopia.
3. Notwithstanding the provisions of the proclamation regarding external audits the society may at any time use an external auditor.

64. Information about Members

1. The officers of the society shall record and keep the particulars of its members and furnish the same to the Agency upon request.
2. The Agency shall by directives determine the particular information required from societies.

SECTION FIVE FORMATION, LICENSING AND REGISTRATION OF CHARITIES AND SOCIETIES

SUB -SECTION 1

65. Formation

1. Charities and societies shall be deemed to be formed when they fulfill the minimum number of founders and other requirements set forth in this law.
2. Any charity or society shall apply for registration within three month of its formation.

3. Irrespective of the provisions of sub-article (2) of this article, the agency may, where good cause has been shown by the charity or society extend the period of application to registration up to three months.

66. Effects of Formation

1. Merely formed charities and societies shall have no legal personality.
2. Upon registering and thus acquiring legal personality, the rights and duties of the charity or society formed shall accrue tot the registered charity or society.
3. Charities and Societies may not solicit money and property exceeding fifty thousand birr before its registration.
4. Failure to register within the prescribed period shall be a ground for cessation of the formed charity or society.

67. Sector Administrators

1. The appropriate federal executive agencies which will have the powers and functions listed under Article 68 of this proclamation shall be designated as Sector Administrators by the Minister.
2. For the purposes of this proclamation, the Agency shall be a sector administrator for charities or societies that do not fall under any sector administrator or fall under more than one sector administrator.
3. Any sector administrator may delegate powers and functions given to it under this proclamation to the relevant organs of federal government accountable to it.

68. Powers and Function of Sector Administrators

1. Provides necessary support to the agency in the process of license and registration of charities.
2. Assign professional who evaluate and recommend on the charities and societies programs and projects.
3. Supervise and control their operational activities and take measures according to laws establishing it.
4. A sector administrator taking measure by virtue of this article shall notify the agency of such measures within seven working days.

5. Develop criteria of licensing and registration of charities and societies to be followed by the agency which shall assure the maximum benefits of the public.

SUB SECTION TWO
REGISTRATION OF CHARITIES AND SOCIETIES

69. Registration

1. Subject to Article 70, the Agency shall, upon application and after ensuring the fulfillment of the requirements stipulated under this proclamation, register the applicants as a charity or a society and issue a certificate of legal personality.
2. In addition to having a declaration in such form as the Agency may require as to the object, purpose, and activity of a charity or society, an application for registration under this article shall be accompanied by the following:
 - a. A copy of the rules of the charity or the society and where applicable a document showing the act of constituting of a trust or an endowment.
 - b. Such similar documents and duly completed forms as the agency may require.
3. In addition to the requirements set forth under sub article (2) charities that are established abroad shall present.
 - a. A duly authenticated document showing the charity is constituted in its country of origin;
 - b. A duly authenticated proof of the decision of its competent organ to operate in Ethiopia;
 - c. A recommendation by its Embassy present in Ethiopia in which the charity is incorporated or by a competent Government organ in that country.
 - d. A letter of recommendation form the Ministry of Foreign Affairs of the Federal Democratic Republic of Ethiopia;

- e. A duly authenticated power of attorney of the country representative.
4. An application for registration shall be accompanied with the appropriate registration fee.

70. Refusal of Application for registration

The Agency shall refuse to register a charity or society where one of the following reasons occurs:

1. The rules of the proposed charity or society do not conform to the major requirements stipulated under this proclamation.
2. There is sufficient reason to believe that the proposed charity or society is to be used for unlawful purposes or for purposes prejudicial to public peace, welfare or good order in Ethiopia.
3. The application for registration does not comply with the provisions of this law or any regulation made hereunder.
4. The name under which the charity or society is applying to be registered is similar to the name of another charity or society or any other institution or is contrary to public moral or the law.
5. Where the name of the charity or society Federal or national context and its members or place of work is not representative of at least five regional states.

71. Persons who shall not Act as Officers

No person shall act as an officer of a charity or society or a branch thereof if that person:

1. Has been convicted of a crime that involves fraud or other crimes that involve dishonest acts;
2. Has been convicted of any crime as a result of which he has been deprived of his civil rights and his civil rights have not yet been restored;
3. Is unable to perform for lack of legal capacity under the Civil Code;
4. Has been judicially interdicted;
5. Has been absent from Ethiopia and where his absence is risking the proper administration of the charity or society;

72. Register of Charities and Societies

1. The Agency shall keep a register of charities and societies in which shall be entered such particulars as it may from time to time determine of any charities and societies registered therein.
2. A copy of or extract from any such document certified to be a true copy or extract under the signature of the Director of the Agency and seal of the Agency shall be admissible in evidence in any proceedings.
3. The register of charities and societies may be prepared and kept in such manner as the Agency may think fit, including in electronic form.
4. The Agency shall disclose names of charities and societies that have been registered, suspended or cancelled from the registry in the gazette.

73. Branch of a Charity of a Society

1. With prior notification given to the Agency, a charity or society can establish a branch in accordance with the rules of the charity or society;
2. The powers given to the branch of the charity or society established under sub-article (1) of this article should not constitute the formation of an independent charity or society by the branch which is not adequately under the control of the charity or society;
3. Where a charity or society establishes a branch without the prior approval of the Agency, the branch so established shall be deemed to be an unlawful charity or society as defined in Article 104 of this proclamation.

74. Change of Name, Place of Business or Rules

1. Where a charity or society changes its name, place of business, or amends its rules, it shall present the changes or amendments to the Agency and have it registered in accordance with Article 69 of this proclamation.
2. Where after registration of a charity or a society it is established that the provisions under article 70 (1), (3), (4), or (5) have not been observed, the agency may make an order for the amendment of the rules or the rectification of the defects within a specified time limit.
3. Change in name of a charity or society shall not affect the rights and obligations of the charity or society. Litigations already initiated on or by

the charity or society with the use of the previous name shall carry on with the replacement of the changed name in the litigation.

75. Use of Symbols

1. No charity or society shall use an emblem without prior registration by the Agency.
2. The Agency shall consider the criteria set under Article 70 of this proclamation when presented with application for registration of an emblem pursuant to sub article (1) of this article.

76. Display of Certificate, Name and Symbols

1. Every charity or society shall keep its certificate of registration in its head office and a copy thereof in its branches in a place that is visible to any visitor.
2. Where a charity or society uses advertisement board it shall affix on such board those particulars as are determined by the directives of the Agency.

77. Renewal of License

1. Without prejudice to the duty of charities and societies set under Article 79 and 81 of this proclamation to present an annual activity report and declaration of accounts, the licenses of charities and societies shall be renewed every three years.
2. The application for the renewal of license shall be made not later than two months after the expiry date mentioned on the license and registration certificate.
3. Where the Agency;
 - a. has ensured that the performance and audit reports of the charities and societies are complete and accurate; and
 - b. the charity or society has not acted in violation of this proclamation or regulations and directives issued inline with this proclamation or orders given by the Agency or the rules of the charity or society itself; it shall renew the license upon payment of the required renewal fee.

SECTION SIX
CHARITY AND SOCIETY ACCOUNTS AND REPORTS

78. Duty to keep Accounting Records

1. The officers of a charity or society shall ensure that accounting records are kept in respect of the charity or society which are sufficient to show and explain all the transactions and disclosure at any time.
2. The accounting records shall, in particular, contain entries showing from day to day all sums of money received and expended by the charity or society, and the matters in respect of which the receipt and expenditure takes place; and record of the assets and liabilities of the charity or society.
3. Charities and societies may not receive anonymous donations and shall at all time keep records that clearly indicate the identity of donors.
4. The officers of a charity or society shall preserve any accounting records made for the purposes of this article for at least five years from the end of the fiscal year of the charity or society in which they are made.
5. Unless the Agency consents in writing to the records being destroyed or otherwise disposed of, where a charity or society ceases to exist within the period of five years mentioned in sub article (4) as it applies to any accounting records, the obligation to preserve those records in accordance with that sub article shall continue to be discharged by the last officers of the charity or society.

79. Annual Statements of Accounts

1. Any charity or society shall submit to the Agency an annual statement of accounts prepared in accordance with acceptable standards.
2. Notwithstanding sub article (1) of this article, charities and societies whose annual flow of funds does not exceed Birr 50,000.00 the statements of accounts may choose to prepare a receipts and payments account and a statement of assets and liabilities.

3. The officers of a charity or society shall preserve any statement of accounts and related documents prepared under sub-articles (1) and (2) of this article for at least five years from the end of the financial year.

80. Annual Examination of Accounts

1. Any charity's or society's account shall be examined annually by a certified auditor or internal auditor or an auditor designated by the agency.
2. Any charity or society shall be audited by an external auditor where its annual gross income immediately preceding the specified budget year is more than birr 1000,000.00.
3. Notwithstanding sub article (2) of this article, examination of account may be conducted by an external or internal auditor or an auditor designated by the Agency anytime according to the directive issued by the minister.
4. Where it appears to the Agency that the account of a charity or society is not audited within three months from the end of that year or to be audited by a certified external auditor, the Agency may appoint an auditor.
5. In accordance with sub article (4) of this article, the expenses of any audit carried out by an auditor appointed by the Agency shall be paid by the charity or society concerned, or where at faults the officers of the charity or society.

81. Annual Activity Report

1. The officers of a charity or society shall prepare and transmit to the Agency in respect of each financial year of the charity or society an annual report on the major activities and relevant information regarding the charity or society.
2. The annual report required and being prepared under sub-article (1) of this article in respect of each financial year of a charity or society, shall be transmitted to the Agency within three months from the end of that financial year or within such period as the Agency may for any special reason require.
3. Every such activity report shall have attached to it the statement of accounts.

82. Disclosure of Annual Report

Any annual report or other document kept by the Agency, when requested by the concerned body may be made open to the public at any reasonable time if the Agency or sector administrator or the charity and society so decide.

83. Reporting to Other Persons

Nothing in this part shall prohibit the rules of a charity or society from requiring that books of account, audit reports and annual reports be submitted to persons or organizations in addition to which reports are made under this part.

84. Notification of Bank Accounts

The officers of a charity or society shall report to the Agency every year and upon request about all the bank accounts of the charity or society with necessary particulars.

SECTION SEVEN

SUPERVISION OF CHARITIES AND SOCIETIES

85. Power to Institute Inquiries

1. The agency may from time to time institute inquiries with regard to charities or societies or a particular society or charity or class of charities or societies, either generally or for particular purposes.
2. For the purposes of any such inquiry, the Agency may by order require any charity or society or an officer or employee thereof :
 - a. to furnish accounts and statements in writing with respect to any question arising from the inquiry, being a matter on which that person has or can reasonably obtain information, or to return answers in writing to any questions or inquiries addressed to him on any such matter;
 - b. to furnish copies of documents in his custody or under his control which relate to any matter in question of the inquiry; and
 - c. to attend at a specified time and place and give evidence or produce documents.
3. The agency may use, for the purpose of the inquiry, any source of information

including reports from the public, reports from government agencies and the reports of charities and societies themselves.

86. Power to Cause the production of Documents and Search Records

1. The Agency may, for the purpose of discharging its functions under this Proclamation, by order, require any charity or society or an officer or employee thereof:
 - a. to furnish orally or in writing the Agency with any information in her possession which relates to any charity or society; or
 - b. to furnish the Agency with a copy of or extract from the document; or
 - c. to transmit the document itself to the agency for its inspection unless the document forms part of the records or other documents of a court or public authority.
1. The Agency shall be entitled without payment to keep any copy or extract furnished to it under sub article (1).

87. Notification of Meetings

Any society shall notify the agency in writing of the time and place of any meeting of the General Assembly of the society no later than 7 working days prior to such meeting.

88. Coordination of Charitable Activities

A sector administrator may make arrangements with charities for coordinated efforts towards the achievement of the common goals of the charities and the said sector administrator.

89. Disclosure of Information

Subject to any express restriction imposed under any other law any person may disclose to the agency or to any sector administrator any information received by him for the purpose of enabling or assisting the agency or the sector administrator to discharge its functions.

90. Limits of Administrative Costs

1. The annual administrative cost of any charity may not be more than 30 percent of the total sum it spends to implement the purposes for which it is established.

2. The Government may give incentives to those charities and societies that allocate more than 80 percent of their expenditures to charitable purposes.

91. Employment of Expatriates

1. Any charity or society may not employ expatriates without a work permit granted in accordance with the relevant law.
2. Notwithstanding the provisions of sub-article (1) of this article a foreign charity is under no restrictions to assign country representatives.

92. Protection of Property

Where the agency upon an inquiry or investigation with respect to any charity or society and ascertains that there is or has been any misconduct or mismanagement in the administration of the charity or society and where it is necessary to act for the purpose of protecting the property of the charity or society the agency may take the following measures:

1. Suspend any officer responsible and order the appropriate body of the charity or society to make a replacement.
2. Order the charity or society to improve its system of administration.
3. Pending the execution of the orders of the agency by the charity or the society under sub articles (1) and (2) of this article:
 - a. it shall suspend the conclusion of certain types of contractual obligations or payments effected by charities or societies without the authorization of the agency,
 - b. Suspend any person who holds any property on behalf of the charity or society or any debtor, not to part with the property or not to pay his debt without approval by the Agency.

93. Removal and Replacement of Officer

1. Where any officer of a charity or society does not meet any of the requirements provided for under Art. 71 of this Proclamation the agency shall order the appropriate body of the charity or society to undertake his removal and replacement by another.
2. The agency shall order the suspension of the officer referred to in sub-article (1) above pending the appointment of a replacement.

94. Suspension and Cancellation of Licenses

1. The Agency may suspend the license of any charity or society which:
 - a. fails to execute orders given by the Agency under art. 74 of this Proclamation within the specified time limit;
 - b. without prejudice to the provisions of sub article 2(c) of this article, violates the provisions of this Proclamation or regulations and directives issued pursuant to this Proclamation, or orders given by the Agency or its rules;
 - c. fails to produce information required of it to the agency on time and until it rectifies the defects.
2. The license of any charity or society shall be revoked which:
 - a. was registered though fraud or misrepresentation;
 - b. has been used for unlawful purposes or for purposes prejudicial to public peace, welfare, or security of the state;
 - c. does not correct failures referred to under sub-article (1) above within the time limits specified by the Agency;
 - d. is not renewed under article 77 of this Proclamation.

95. Dissolution of Charities and Societies

1. A charity or society may be dissolved on any the following grounds:
 - a. where the competent body of the charity or the society decides that it be dissolved in accordance with its rules,
 - b. where the license of the charity or society has been revoked by the Agency in accordance with Art.94 of this Proclamation
 - c. where in accordance with sub-article (2) of this article the dissolution is approved by the Federal High Court.
2. A charity or society may be dissolved by the Federal High Court on any of the following grounds:
 - a. violation of the criminal law or the criminal offences provided for by this Proclamation;
 - b. the charity or society has become insolvent.

96. Effects of Dissolution

1. Where an order is given or a decision is made to dissolve a charity or a society;
 - a. The property of the charity or society shall forthwith vest in the liquidator appointed for the purpose of winding up in the dissolution order or decision;
 - b. the liquidator shall proceed to wind up the affairs of the charity or society and, and after satisfying and providing for all the debts and liabilities of the charity or society and the costs of winding up shall the surplus assets, if any, of the charity or society to a charity or society with a similar purpose or to any charity by the order of the agency;
2. The Agency or the Court may assign officers of the charity or the society or any other person as liquidators of a charity or society subject to dissolution.
3. A charity or society being dissolved may not undertake any activities other than those relating to the liquidation, unless with permission from the Agency it undertakes activities that by their very nature could not be discontinued with a view to completing them.
4. The legal personality of the charity or the society shall remain valid until the finalization of the liquidation and cancellation of the registration.

SECTION EIGHT

APPLICATION OF PROPERTY CY-PRES

97. Conditions for Applying Property Cy-pres

1. The circumstances in which the original purposes of a charitable gift may be altered to allow the property given or part of it to be applied cy-pres shall be as follows:
 - a. where the original purposes, in whole or in part have been fulfilled or cannot be fulfilled;
 - b. where the original purposes provide a use for part only of the property available by virtue of the gift;

- c. where the property available by virtue of the gift and other property applicable for similar purposes can be more effectively used in conjunction and to that end can suitably, regard being had to the spirit of the gift, be made applicable to common purposes;
2. An act of endowment of trust for charitable purposes places the concerned officers under a duty, where the circumstances require the property or some part of it to be applied cy-pres, to secure its effective use for charity by taking steps to enable it to be so applied.
3. The competent officers of a charity may take the actions provided for in sub-article (1) of this article only by a two thirds majority decision.
4. This article shall apply to property given for charitable purposes, notwithstanding that it was so given before the effective date of this Proclamation.
5. The provisions of this article shall apply only upon the prior approval of the Agency.

98. Special Provisions to Small Charities and Societies

1. Where the gross income of a charity in its last financial year does not exceed Birr 50,000.00 and it does not possess trusts or endowments which stipulate to be used for the purpose of the charity may take one of the following actions:
 - a. that all the property of the charity should be transferred to such other charity;
 - b. that all the property of the charity should be divided between such two or more other charities;
 - c. That the rules of the charity should be modified by replacing all or any of the purposes of the charity with such other purposes, being charitable;
2. Any action taken under sub-article (1) of this article must be passed by two thirds of its trustees or board members;
3. The provisions of this article shall apply only up on the prior approval of the Agency.

4. Notwithstanding sub-article (1) of this article, the Agency may determine that the provisions of sub-article (1) a-c be employed.

SECTION NINE PUBLIC COLLECTIONS

99. Application for Public Collection

1. No charity or society may conduct any public collection unless permit is granted by the Agency.
2. The permit given under this article shall specify the public collection purpose, duration, place and any other criteria set forth by the Agency.
3. Any charity or society which contravenes sub-article (1) of this article shall be punishable with fine or simple imprisonment or both. Any money or property collected shall be taken by the Agency and may be applied to a charity or society with a similar purpose at the Agency's discretion.

100. Decision on Application

1. On receiving an application for a public collections permit the Agency may make such inquiries as it deems fit and determine whether to issue or refuse a permit with or without conditions.
2. Where the agency refuses to issue a permit or attaches any condition to the permit, it must serve on the applicant written notice of its decision and the reasons for its decisions.

101. Grounds for Refusal of Public Collections Permits

The agency may refuse an application for public collection on the following grounds:

1. Where the public collection is not used for the purposes of the charity or the society.
2. Any evidence provided by the applicant is found to be false or misleading.
3. Persons conducting the public collections do not meet the requirements under Art.71 of this Proclamation.

102. Cancellation of Public Collection Permits

1. The Agency may cancel a permit for public collections on any of the following grounds:
 - a. where it is established that the requirements under Art. 112 of this Proclamation are not met after license is granted;
 - b. where the public collection is being mismanaged;
 - c. where the restrictions imposed by the Agency upon granting the license are violated.
2. Where a decision is made to cancel the permit for public collection under sub-article (1) above, money or property collected shall be taken by the Agency and may be given over to a charitable purpose.

**PART TEN
PENALTIES**

103. General

1. The offences prescribed under this section shall be applicable to charities and societies where the offence can be ascribed to them because of the commission of the offence by their officer or employee to promote his/her interest or by violating its legal duty or by unduly using the charities and societies as means.
2. The punishment of the charities or societies shall not exclude the penalty to be imposed on their officers or employees for their personal criminal guilt.

104. Unlawful Charities and Societies

1. Any person or group of persons acting as a charity or society or while not being registered within the time limit prescribed by this proclamation or a charity committee acting without authorization shall be deemed to have formed and participated in an unlawful charity or society.
2. Any person who participates in the management of any unlawful charity or society shall be punishable, unless the criminal code provides a higher penalty, with a fine not less than Birr 10,000 and not exceeding Birr 20,000

and by a rigorous imprisonment not less than 5 years and not exceeding 15 years.

3. Any person who is or acts as a member of an unlawful charity or society, or attends a meeting of an unlawful charity or society, shall be, unless a more severe penalty is prescribed by the Criminal Code, punishable with a fine not exceeding Birr 5,000 and by a rigorous imprisonment not less than 3 years and not exceeding 10 years.
4. Whosoever provides or solicits from others or attempts to solicit from others funds to an unlawful charity or society shall be punishable as an accomplice.

105. Conducting Unlawful Assembly in Premises

Whosoever knowingly allows a meeting of an unlawful charity or society, or of members of an unlawful charity or society to be held in any house, building or place belonging to or occupied by him, or over which he has control, shall be punishable by a fine not less than Birr 2,000 and not exceeding 5000 and by an imprisonment not less than 2 years and not exceeding 5 years provided the criminal code does not prescribe a more severe penalty.

106. Unlawful Public Collection and Income/Procuring Subscription and Funds

Any charity or society that conducts public collection or engages in income generating activities without permit in accordance with this proclamation shall be punishable with a fine not less than Birr 10,000 and by a rigorous imprisonment of not less than 3 years and not exceeding 10 years, provided the Criminal Code does not prescribe a more severe penalty.

107. Disseminating Information about Unlawful Charity or Society

Any person who prints, publishes, displays, sells or exposes for sale, or transmits information through the post or any electronic media, in the interests of any unlawful charity or society shall be punishable with a fine not less than Birr 3.000 and not exceeding Birr 5,000 and by a simple imprisonment of not less than 3 years and not exceeding 5 years, provided the criminal code does not prescribe a more severe penalty. Any book periodical, pamphlet, poster, newspaper, letter or any other document or writing in respect of which the person is convicted shall be confiscated.

108. Supply of False or Misleading Information

1. Any person who intentionally or negligently provides the Agency or a sector administrator with information, which is false or misleading shall be punishable with a fine not less than Birr 5, 000 and not exceeding Birr 10, 000 or with simple imprisonment or both provided the criminal code does not provide a more severe penalty.
2. Any person who willfully alters, suppresses, conceals or destroys any document which he is or is liable to required by this proclamation to produce to the Agency or a sector r administrator shall be punishable with fine not less than Birr 10,000 and not exceeding 15,000 and with a rigorous imprisonment of not less than 5 years and not exceeding 10 years.

PART ELEVEN

MICSELLANEOUS PROVISIONS

109. Income Generating Activities

1. Charities or societies may upon a written approval of the agency, engage in income generating activities that are incidental to the achievement of their purposes and the proceeds of which shall not be distributed among the members or beneficiaries of the charity and are used to further the charitable purpose for which the charity was licensed to operate.
2. A charity or society that undertakes income generating activities shall keep separate books of account in respect of such activities.
3. A charity or society found to have distributed its profits or failed to keep separate books of account shall be subject to measures to be taken by the Agency in accordance with the provisions of article 94 of this Proclamation.
4. Nothing in this Proclamation shall affect the requirements and procedures laid down in any other laws concerning the registration and licensing requirements for activities related to trade, investment or any profit-making activities.

110. Claims and Appeals

1. The Agency shall decide over grievances made to it in relation to its activities within a reasonably short time.
2. Any person aggrieved by the decision of the Agency may appeal to the Board within 15 days from the date of the decision. The decision of the Board is final.
3. Notwithstanding sub-article(2) of this Article any Ethiopian charity or society or any interested Ethiopian aggrieved by the decision of the Board may appeal to the Federal High Court on questions of law within 15 days of the decision by the Board.
4. Where the appeal relates to registration or cancellation, there shall be deemed no registration or cancellation to have been effected until the concerned authority gives its final decision.

111. Investigation and Prosecution of Offences

1. Investigation and prosecution in respect of any offence under this Proclamation or any regulations made hereunder may be conducted by bodies authorized in accordance with the Criminal Procedure Code.
2. Notwithstanding sub-article (1) of this article, the Agency shall collect and organize any evidence necessary for criminal prosecution and submit the same to the appropriate authority.

112. Merger

1. Two or more charities or societies may merge into one under a new name or under the name of one of the former charities or societies in accordance with relevant laws and in accordance with their rules. The rights and obligations of the former charities or societies shall be transferred to the newly formed organization.
2. The newly established charity or society shall be registered in accordance with this Proclamation.

113. Division

1. A charity or society may be divided in to two or more organizations where its constitutive document allows and its competent organs so determine.

2. The extent of the rights to be transferred shall be determined pursuant to the agreement made by the competent organ of the charity or society while the divided charity or societies shall bear the obligations jointly.
3. The existence of the former charity or society shall cease at the time when the certificates of registration are issued to the new charities or societies and division of property is completed.
4. The agency may allow one of the new charities or societies to retain the name of the previous charity or society where the retention of such name is agreed upon by all new charities or societies.

114. Power to Make Regulations

The Council of Ministers may issue regulations for giving effect to this Proclamation.

115. Inapplicable Laws

Any law, regulations, directives or practice contrary to this Proclamation shall not be [applicable on matters provided for in this Proclamation](#).

116. Transitional Provisions

1. [Any right or duty arising under the previously existing law, before the issuance of this Proclamation, shall continue unless it contravenes this Proclamation.](#)
2. [All charities and societies previously registered shall re-register with in one year in accordance with this Proclamation.](#)

117. Effective Date

This Proclamation shall come in to force on the date of its publication in the Federal Negarit Gazzeta.

Girma W/giorgis

President of the Federal Democratic Republic of Ethiopia