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## PART ONE: PRELIMINARY

### Section 1: Short title, extent and commencement:

1. This act shall be called Non-Governmental Organizations Act.
2. It extends the whole of Puntland. It will come into force as soon as the Puntland President signs it.

### Section 2: Purposes

The purposes of this law are: -

1. To create a central mechanism that regulates the registration and the development of activities of local and International NGOs so that their activities are aligned with the country's national development plan.
2. To promote the freedom of citizens to establish NGOs
3. To make NGOs legally constituted organizations with legal personality.

### Section 3: Scope

This act applies to all non- governmental organizations that operate in Puntland other than UN organization, IOM, ICRC, Red Cross and Crescent, Professional Associations, Private Companies and Industrial and Employee Associations, which have signed a memorandum in Puntland.

### Section 4: Definitions of terms

In this Act, unless the context otherwise requires, the following words and phrases shall carry the meanings herein attached to them:-:

- 1) “**Board**” means the Non-Governmental Organizations Co-ordination Board established this act.
- 2) “**Certificate**” means certificate of registration issued under Article 32.
- 3) “**Consortium**” means an association aiming to bring together all national, non-governmental organizations under one interest umbrellas.
- 4) “**Registrar**” means a public servant authorized by this Act to issue certificates for the registration of NGOs.
- 5) “**Register**” means the register of non-governmental organizations in which information relating to organizations is recorded and maintained.
- 6) “**International Non-Governmental Organization**” means a non-governmental organization with the original incorporation outside of Puntland and is operating within the country under a certificate of registration.
- 7) “**Local Non-Governmental Organization**” means a non-governmental organization which is exclusively registered in Puntland with authority to operate with all of Puntland regions.
- 8) “**Minister**” means the Minister for the Planning and International Cooperation under whose primary responsibility non-governmental organizations fall.
- 9) “**Ministry**” mean the Ministry of planning and Development of Puntland Government.
- 10) “**Non-Governmental Organization**” means a private voluntary grouping of individuals

and associations that are non- partisan, impartial and not operated for profit that can be of national, regional, district or at village/community level whose sole objective is to best serve their members and the community in improving social services, emergency humanitarian issues, environment conservation and preservation of natural resources, good governance, protection of human rights and the promotion of social welfare and community livelihoods as well as the introduction of intellectually/vocationally uplifting trainings and the maintenance of sustainable development.

11) “ **Not-for-Profit**:

- a. An organization cannot distribute its assets, income or profits to any person, except for the working objectives of the organization.
- b. An organization cannot use its assets, income or profits to provide private benefits, directly or indirectly, to any founder, member, director, officer, employee, or donor of the organization, or their family members or relatives.

12) “**National Non-Governmental Organizations**” means a Non-governmental organization which is registered exclusively in Puntland with authority to operate within or across two or more districts in Puntland.

## **PART TWO: MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION (MOPIC)**

### **Section 5: Obligations of the Ministry of Planning & International Cooperation:**

1. The Ministry of Planning and International Cooperation is the sole representative of the government of Puntland mandated to register, administer and coordinate all national, foreign and international non-governmental organizations operating in Puntland
2. The Ministry is responsible for:
  - a. Representing the government of Puntland and mandated for registration of national and international NGOs operating in Puntland.
  - b. Selecting the appropriate geographical area/s of operation for NGOs, based on needs assessment carried out by NGOs in consultation with its line ministries/agencies.
  - c. Acting as a communication conduit between the Government and the NGO. The Ministry shall receive communication that is specific to MOPIC to act as a mediator, coordinator and facilitator between NGOs and Line ministries/agencies.
  - d. Monitoring and Evaluation of all programs in working with line agencies and concerned NGO.
  - e. Provide feedback on the monitoring and evaluation reports conducted by the Ministry on NGO programs to NGOs the opportunity to discuss review and re-assess the reports before compiling the final reports.
  - f. Facilitating in the provision of tax exemption documents for imported equipment and materials necessary for projected programs of INGO to be implemented in the country.
  - g. Facilitating tax exemption for other goods and assets that the organization may be importing for transition across national borders. Verification of documents relating to the application for tax exemption shall be the responsibility of the Ministry which shall seek the consultation of the Ministry of Finance on issue.

- h. Facilitating tax exemption for goods that belong to international expatriates and their families and the need for re-shipping such goods in accordance with the law.
  - i. Facilitating the provision of legal residence/visas to experts by issuing clearance letter for their application for the proper implementation of INGO projects where local expertise is unavailable. This should be dealt with the Labor Law.
3. MOPIC to implement the NGO Act
  4. Assisting, motivating, supporting and building the capacity of national NGOs.
  5. Registration, provision of certificate of registration, temporary and permanent revocation of certificate of registration and penalizing NGOs.
  6. Any other duties obliged by the law.

### **PART THREE: ADMINISTRATION AND COORDINATION OF NON-GOVERNMENTAL ORGANIZATIONS**

#### **Section 6: Selection of the Registrar**

1. The Register General shall be obtained through a competitive merit based system in regards to Law No.5 of Civil Service act.
2. The Registrar is a government official that is equivalent to a head of section and reports to Director of Aid Coordination.

#### **Section 7: Obligations & Responsibilities of Registrar**

- I. Obligations and responsibilities of Registrar shall be as follows:
  - a. To ascertain the legality of non-governmental organizations (and their activities)
  - b. To register non-governmental organizations
  - c. To maintain and safe keep the NGOs register
  - d. To record reports and other documents submitted by and relating to NGOs.
  - e. To properly manage / direct registrar's staff under his direct supervision
  - f. Encourage positive coordination and relations among all government ministries and departments who have relations with NGOs.

#### **Section 8: Establishment, Functions and Powers of the Board**

- 1) There shall be a board to be known as the National Board for Nongovernmental Organization
- 2) The Board shall consist of –
  - a. A chairman appointed by the Minister
  - b. **two** members from the public appointed by the Minister by virtue of their knowledge or experience in development and welfare management;
  - c. Head of Aid Coordination unit at MOPIC responsible for Nongovernmental Organizations;
  - d. An appointee from the Ministry of Finance

- e. **Two** members from the INGOs and **one** member from the NGOs appointed by their individual consortium.
- 3) The Members of the Board members shall hold office for a period of two years and shall then retire, but shall be eligible for appointment
  - 4) A member of the Board may resign his appointment by a letter addressed to the Minister.
  - 5) He Minister may appoint an executive director who shall be the head of the Bureau and responsible for the day to day management of the business of the Board.
  - 6) I. the Chairman shall preside at all meetings of the Board, except that in his absence, the provisions of sub-section (2) shall apply.
    - II. In the event of the chairman being absent from any meeting of the Board, the members present shall elect one of the members present at the meeting to preside.
    - III. The Board shall meet at least 3 times in each year but the chairman may, and upon application by six members shall, convene a special meeting of the Board.
    - IV. The quorum necessary for the transaction of the business of the Board shall be five
    - V. All questions at a meeting of the Board shall be determined by a simple majority of the votes of the members present and voting.
    - VI. The chairman shall have, in case of equality of votes, a casting vote in addition to his deliberative vote.
    - VII. The Board shall cause the minutes of all proceedings of meetings of the Board to be entered in books kept for that purpose.
    - VIII. Subject to this Act, the Board shall regulate its own proceedings.
  - 7) The Board shall have the following functions:-
    - a. To facilitate and coordinate the work of all the national and International non-governmental organizations operating in Puntland.
    - b. Advise authorities on the activities of the Non- Governmental Organizations and their role in the Relief, Rehabilitation, and Resettlement of the internally displaced persons, refugees entering the Puntland or returnees from the diaspora.
    - c. To advise government on the activities of NGOs and their level of contribution to national development plan of Puntland.
    - d. To provide policy guidelines to the Non-Governmental Organizations for harmonizing their activities to the national development plan of Puntland.
    - e. To facilitate better dialogue and consultation between the government and NGOs as well as encourage mutual cooperation among them.
    - f. Maintain the register of national and International Non-Governmental Organizations operating in Puntland, with precise sectors, affiliations and location of their activities.
    - g. Conduct regular review of the register to determine its consistency with the reports submitted by the Non-Governmental Organizations.
    - h. Receive, discuss and approve the code of conduct submitted by the Non-Governmental Organizations.

- i. To carry out all other duties and obligations delegated to Board by the Minister and DG.

## **PART FOUR: PRINCIPLES GOVERNING NGO INTERVENTION**

**Section 9:** The NGOS humanitarian intervention in the Puntland shall be governed by the following principles:-

- a. Non-discrimination on the ground of race, ethnic group, political affiliation or religious beliefs, disability or gender.
- b. Accountability to donor community, beneficiaries and relevant public authority for all services delivered in the field.
- c. Building of Local Capacity with the view of reaching an ultimate independence.
- d. Sustainability of NGOs intervention shall, in the long term create self-reliance of the local community.
- e. Projects for relief and humanitarian service delivery will take published public policy and community priorities/beneficiary interests into account.”
- f. At all stages of project implementation, local community interest, so as to service delivery, shall be taken into account through a participatory approach.
- g. Cooperation with NGOs shall be based on NGO sensitivity to Puntland affairs’

**Section 10:** MOPIC will consider specific objective for each NGO/INGO provided that those objectives do not contradict with this Act and international agreements.

### **Section 11: Obligations on Non-governmental Organizations**

Every NGO registered in accordance with this Act is obliged:

1. To respect the culture and religion of Puntland
2. To ensure their development programs are aligned with Puntland’s development plan
3. To use its assets and income for not-for-profit activities and in accordance with the regulations of this Act
4. To maintain transparency and accountability in all its activities and, has to, reasonably, pay the salary and allowances of employees, rents and transportation charges, purchases and other administration costs
5. To collect income tax from its staff, motor vehicle tax, tax on their buildings etc. They should first submit the amount in writing to MOPIC and when its verified deposit it into the account of the Ministry of Finance

### **Section 12: Register for Non-Governmental Organizations**

1. There shall be a General Register for Non-Governmental Organizations in which all information and data relating to NGOs will be duly recorded and maintained
2. The General Register shall have separate registration sections for National, International, Foreign, and Umbrellas NGOs

3. The information of the NGO shall be entered into the General Register at the time the Certificate of Registration is issued.
4. If the Registration Certificate of an NGO is temporarily or permanently suspended during the year, the name of the NGO shall be taken off the General Register highlighting the reason/s for the temporary and/or permanent suspension of Certificate of Registration after the end of the period of appeal or appeal is declined in accordance with the Act.
5. If the Registration Certificate of an NGO is temporarily suspended during the year
6. The information, of an NGO registered in accordance with this Act, required to be entered into the General Register is as follows:
  - a. The official name of the NGO;
  - b. The headquarter of the NGO, branch offices, address of the organization, contact details of the Board of Directors, the Executive Director or his/her counterpart within the NGO structure;
  - c. The particular sector and geographical area of operation;
  - d. The institutions, agencies and ministries the NGO works with;
  - e. The other country or countries in which the NGO is registered;
  - f. The date of registration, serial number and registration number of the certificate;
  - g. The duration of the certificate of registration; h. Any other necessary important information.

## **PART FIVE: Registration of Local Non-Governmental Organizations (LNGO)**

### **Section 13: Formation of Local NGO**

A Local Non-governmental Organization can be established or founded by at least five nationals (or foreigners who have residence in Puntland) or combination of nationals and foreigners where the majority of them are residents.

### **Section 14: Registration of Local NGOs with Different Grades**

1. If a Local NGO whose operations encompass extends throughout a region, the application for registration shall be directed to the regional registrar.
2. Any Local NGO whose operations encompass or extend at least two regions and international or foreign NGO shall direct their application for registration to the General Registrar.
3. When regional registrar officially registers an NGO s/he will report back to the General Registrar all facts pertaining to registered organizations, sending him/her all relevant documents.

## **Section 15: Terms/Conditions to Register for Non-Governmental Organization**

- 1) The General Register shall have separate registration sections for Local, International and Umbrella NGOs.
- 2) Every Non-Governmental Organization shall be registered in the manner specified here under:
  - a) Applications for registration shall be submitted to the General registrar
  - b) The application shall have the following details:
    - a. The name of the organization, its acronym, head office and branch offices (if they exist), the main address of the organization with telephone numbers and email addresses;
    - b. Names of founders of the organization;
    - c. Aim and objectives of the organization and specific sector/s in which it operates;
    - d. Geographical location/s of its operations; regions/districts;
    - e. Names of executive committee and management members.
    - f. it must be signed by the founders or someone authorized to sign on their behalf
    - g. An application for registration shall be made by the Chief Executive of the proposed NGO or a designated person.
    - h. The application for registration under this section shall be accompanied by a certified copy of the by-laws of the Non-Governmental Organization proposing to register in Puntland.
    - i. The application for registration of an NGO shall be accompanied by a non-refundable fee as specified in Puntland Law.
    - j. An NGO shall have an operating office, a permanent address, and a unique name and logo;
    - k. Every NGO registered under this Act shall be issued with a certificate of registration.
    - l. A certificate of registration shall be a conclusive evidence of authority to operate throughout Puntland
    - m. A registered NGO shall, by virtue of such registration be a body corporate capable of suing and liable to be sued in its own name.
    - n. A certificate issued under this Act may contain such terms and conditions as MOPIC may prescribe, provided that such terms and conditions are within the spirit of this Act.

## **Section 16: By-Law of the Organization**

The by-law of the local NGO must have the following

1. The official name of the organization (different from any organization registered before)
2. Aims, objectives and scope of activities of the organization
3. Number of founding members and whether they can be joined and procedures for election and dismissal of the board of directors
4. Terms for electing and disqualifying general assembly and board of directors
5. Procedures for holding meetings

6. Duties and responsibilities of general assembly and board of directors in the annual general meeting
7. Procedures for the election, selection, and nomination of management committee and their roles.

### **Section 17: Rejection of Registration**

1. The Registrar, as soon as s/he receives the application for registration of local NGO, will confirm whether the organization has fulfilled the criteria for registration articulated under Section 15 of this Act, and if necessary will take the following steps:
  - a. Request submission of additional or further information or missing document/s if required;
  - b. Request or seek further evidences if necessary.
2. When the Registrar ascertains that requirements for registration under this Act are complete and documentations submitted are accurate, s/he shall present the application together with accompanying documents to the DG and departmental directors of MOPIC with a brief comment regarding the steps s/he has taken and the additional information s/he has secured in his/her investigation along with his/her recommendations.
3. When the Ministry receives the details of the Section 19(2):
  - a. The Ministry will give approval for registration to the applicant NGO, if the Ministry realizes that:
    - i. The requirement for registration under this Act is fulfilled;
    - ii. All documentation and relevant information are accurate.
  - b. The Ministry shall decline the application for registration, if the Ministry ascertains that:
    - i. The requirements for registration under this Act is incomplete;
    - ii. The documentation and relevant information are not genuine.
  - c. The Ministry may request further investigation or additional evidences, where necessary.
4. The Registrar, as soon as s/he receives the approval directions of the Ministry, will produce the Certificate of Registration for the applicant NGO, and enters its details into the General Register

### **Section 18: Formation of Umbrellas and Consortium**

1. A Local Non-governmental Umbrella/consortium can be established by at least 15 fully registered and active Local Non-governmental Organizations that operate in same sector or have specific audience or target group such as women, people with disability, youth, minority groups, etc., or have common aims and objectives or work in same geographical locations.
2. The Umbrella may be created for the following purposes:
  - a. To enhance, build and improve the capacity of member organizations;
  - b. To coordinate, evaluate, monitor and improve the effectiveness of activities and programs of member organizations;
  - c. To protect and advocate for the rights of member organizations;
  - d. To mediate the dispute among member organization and the one between the member organizations and other institutions they work with;

- e. To facilitate and improve the cooperation and networking among the member organizations.
3. The member organizations of the umbrella/consortium shall hold a General Conference in which all member organizations have own representatives;
4. In the General Conference for establishing the Umbrella:
  - a. Representatives from member organizations shall have an authorization letter from their respective organizations;
  - b. Observers from both MOPIC and the BOARD be present in the meeting;
  - c. There shall be a clear and common objective among the member organizations which is articulated in their governing document,
  - d. There shall be a democratic and transparent election of officers for positions;

### **Section 19: Registration of LNGO Umbrella**

The registration procedures for the Local Non-governmental Umbrella Organizations shall be guided by the directions under Section 18 of this Act.

### **Section 20: Change in Legal Personality**

1. After communicating with the Ministry of Planning and International Cooperation, an organization may transform, Separate, or merge with another or other organizations that have similar goals.
2. Upon merger or transformation, the newly registered organization shall be responsible for all liabilities of the previous organization.
3. Upon separation of organizations from each other, each organization shall be responsible for its liabilities, unless otherwise agreed upon by contract.
4. An organization may not transform its legal personality into or merge with a for-profit organization.

### **Section 21: Legalizing the Consortium**

1. There shall soon come into effect a consortium unifying all local NGOs that, henceforth, shall be called the Consortium for local non-governmental organizations;
2. The Consortium shall be a focal point and common platform for all local NGOs operating in Puntland with the aim of achieving better coordination and networking among these organization;
3. The consortium members in consultation with MOPIC and BOARD, shall produce by-laws regarding the establishment, scope of work, rights and obligations of the Consortium.

## **PART SIX: BY-LAWS AND ACCOUNTABILITY OF THE NGOS**

### **Section 22: Reporting Requirements from Local NGOs**

1. Every Local NGO shall at the end of each fiscal year prepare a detailed account of its operation/activities for the past year following a pre-established reporting format;
2. Local NGOs who receive funds/financial assistance directly from donors should also report details of such funds and what the funds have been used for in their annual report as indicated in this Act.

### **Section 23: Governing Documents**

1. The by-law and other documents submitted to the Registrar on time organization was seeking registration, or other documents subsequently passed on to the Registrar shall form the basis for mediating or settling any dispute that may arise;
2. There shall be no Local NGO that shall operate against its official governing documents submitted to the Registrar.

### **Section 24: Becoming Operational**

1. Any Local NGO that is registered in accordance with the stipulations of this Act, has the right to commence its operations including project activities that are of benefit to community and/or the introduction of income-generating activities geared towards the longer term sustainability of the organization as well as the other programs for the community that comply with the instructions of this Act.
2. The income-generation activities of the organization shall be stated in the yearly report that is submitted to the Registrar as stated forth under Section 22 of this Act.

### **Section 25: Notification of Change & Amendments to NGO Constitution**

1. Any change and /or amendments made to the constitution of the organization that have a direct bearing on the overall, afore-professed objectives / orientation of organization or are on change of name of organization, or changes happening in the names of top organization officials should be submitted to Registrar in writing
2. Notification made to the Registrar shall include:
  - a. A copy of the resolution signed by authorized officials as is stated in the constitution
  - b. A copy of the Registration Certificate especially if the changes or amendments made in the constitution affect the afore-stated objectives of the organization.
  - c. Receiving the notification, the Registrar shall:
    - i. Meticulously record, in the Register, all changes indicated in notification;
    - ii. Issue a new Certificate of Registration if so is deemed necessary
    - iii. Strikeout of Register all items and insertions thus changed and /or emended

## **PART SEVEN: Activities that are prohibited**

### **Section 26: Prohibited Activities**

An organization shall not perform the following activities:

- a. Participation in political activities and campaigns;
- b. The promotion of violence and participation in military activities;
- c. The production, import, or trading of weapons and ammunition and military training of individuals;
- d. Engagement in terrorist activities or support, encouragement or financing of terrorism;
- e. Assistance in the cultivation, production, processing, trading, import, export, supply, storage, use, transport and ownership of narcotics or providing facilities in that regard;
- f. The use of financial resources against the national interest;
- g. Import and export for commercial purposes;
- h. The performance of other illegal activities.

## **PART EIGHT: INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS (INGS)**

### **Section 27: Registration of International NGOs**

An International NGO shall not operate; implement charitable, humanitarian and development projects and programs in Puntland unless it is legally registered in Puntland and in accordance with the provisions of this Act.

### **Section 28: Registration Requirements**

An International NGO applying registration in Puntland shall meet the following requirements:

1. Must submit, to the Registrar, a written request signed by the founders of the organization or someone legally authorized to do so on their behalf;
2. Must be legally registered and has an operating office in own country (country of origin);
3. Must have implemented, in own country or other countries, programs related to the sector for which application of registration is sought;
4. Must have an agreement with and secured funds – for the programs intended to be implemented in the Country and submit its application for registration with:
  - a. Certificate of registration from own country;
  - b. A profile of the organization which includes its aim and objectives, its management structure, head office address, address in Puntland, legitimacy in own country, other countries where it works or is registered;
  - c. Copy of the organization's constitution with clear aims and objectives related to sector programs it intends to work on;
  - d. The organization's annual activity plan for the country;
  - e. The location and address of organization's head office;

- f. Proof of payment of registration fee;
  - g. A written attestation of its existence from the foreign office, or the nearest embassy, of the country of origin.
  - h. The curriculum Vitae and supporting documents of international staff; justification of why they are needed as well as a certificate of no criminal conviction from their countries;
5. INGO programs to be implemented in the Country shall be in consistent with the policies, regulations and plans of the nation;
  6. INGO programs shall be implemented in accordance with the plans of its line-ministry or agency;
  7. Must have an office in Puntland with decision making authority.

### **Section 29: Approval /Rejection of Registration of INGOs**

1. When The Registrar receives the application for registration of an International NGO, s/he will confirm whether the organization has fulfilled the criteria for registration articulated under Section 33 of this Act, and if necessary will take the following steps:
  - a. Request submission of additional or further information or missing document/s to meet requirements;
  - b. Request or seek further evidences to support claims.
  - c. Request a report or inquiry from the Line-ministry of the International NGO;
  - d. Make contacts with senior officials of which the International NGO claims to have funds and/or commitments from or any other source of evidence;
2. When the Registrar ascertains that requirements for registration under this Act are complete and documentations submitted are accurate, s/he shall present the application together with accompanying documents to the Minister of Planning and Development with a brief comment regarding the steps s/he has taken and the additional information s/he has secured in his/her investigation along with his/her recommendations.
3. When the DG receives the details of the Section 29(2):
  - a. The DG will give approval for registration to the applicant NGO, if the DG realizes that:
    - i. The requirement for registration under this Act is fulfilled;
    - ii. All documentation and relevant information are accurate.
  - b. The DG in consultation with the Minister shall decline the application for registration, if the he/she ascertains that:
    - i. The requirements for registration under this Act is incomplete;
    - ii. The documentation and relevant information are not genuine.
  - c. The DG may request further investigation or additional evidences, where necessary.
4. When Registrar receives the approval directions of the DG, s/he will produce the Certificate of Registration for the applicant NGO, and enters its details into the General Register.
5. The DG shall notify and justify rejection of registration, formally, in writing which shall be deemed as final decision.

### **Section 30: Registration Certificate**

1. When an International or Foreign NGO is registered, the Registrar shall give a certificate of registration;
2. The certificate of registration shall bear validity period which shall not be more than one year after the end of the program of which the international NGO obtained permission for.

### **Section 31: Memorandum of Understanding:**

1. After securing registration the International NGO shall enter a Memorandum of Understanding with the relevant Line-ministries, institutions and partner organizations. A copy should be submitted to the Ministry of Planning and International Cooperation, where the Registrar shall record it;
2. International NGOs cannot rescind nor can it make any changes in the contents of the Memory of Understanding stated under above article; if a reasonable change in the LOA or withdrawal from the LOA becomes inevitable from either party of which MOPIC together with BOARD become convinced, the parties shall make a new LOA in reference to section 30 (1) above.

### **Section 31: Renewal of Registration**

1. An International NGO that is registered in accordance with this Act and receives a fund for either a new program or extension of the existing one before starting the activities shall bring project document to MOPIC.
2. The renewal of registration shall be guided by the directions stated under Section 29 of the Act as applicable;

### **Section 32: Cooperation between Local NGOs and International NGOs**

1. International NGOs shall financially empower National NGOs and should avoid open competition with them for activities that they can implement competently to strengthen the capacity of National NGOs for quality service delivery;
2. The programs of International NGOs shall be aligned with the National Development Plan of the Country. International NGOs should encourage and develop tangible achievements while supporting Local NGOs in improving and building upon existing strengths in order to attain continuance and sustainability;

### **Section 33: Assets of Completed Projects**

1. International NGOs shall submit to partner ministry and Registrar a list of itemized inventory of its equipment and materials of completed projects;

2. On the termination of International NGO's tenure of stay/duty in Country, all residual funds, equipment and materials shall be handed over to line ministry or agency named in the original agreement. If all or part of these materials and equipments are required for work of another ongoing project similar to the one concluded, transfer of such equipment and materials shall be decided in consultative manner among the partners;

#### **Section 34: Staff Taxation and Registration Fees**

1. International NGOs shall deduct income tax from their national employees at source and transfer it to the Ministry of Finance as articulated in the relevant Taxation Law of Puntland;
2. The amount of registration fee payable by International and Foreign NGOs shall be fixed by a presidential decree.

#### **Section 35: Legal Personality**

1. International NGOs have a legal personality; they can sue and can be sued and have a statutory right to file a case against another party or be called to respond to a case filed against them.
2. The Act is not meant to grant immunity to organizations registered under its provisions;
3. If a foreign employee, working for an International NGO, fails to pay an invoice or debt that s/he was supposed to pay the International NGO shall be liable to settle the debts.

#### **Section 36: Account Ledgers and Registers**

1. The international non-governmental organizations shall put into effect a fully functioning accounting system that records assets, liabilities, revenues and expenditures in accordance with internationally accepted accounting systems and procedures

#### **Section 37: Reporting Requirements**

1. Every INGO registered and operating in the Puntland shall prepare and render the following reports to the BOARD and to MOPIC annually.
  - a. Annual progress report.
  - b. A certified copy of annual Audit report.
  - c. Budgetary summary, including substantial changes in the work plan.
  - d. Report any funding difficulties in the course of the project implementation.
2. After consultation with the Board of the International NGOs, MOPIC will if required:
  - a. Call in the International NGO who submitted the report to enquire details
  - b. Investigate and ensure the genuineness of the report;
3. MOPIC shall send a written warning to the International NGO that fails to submit the required report, stated under Section 37 (1) above, on time directing the submission of the report in specified period of time while giving copies of the warning to the BOARD and the Line-ministry of the International NGO;
4. If the International NGO do not comply the directions of the Ministry, the Ministry shall take a disciplinary action after consultation with the BOARD.

## **PART NINE: Offences and Penalties**

**Section 38:** It shall be an offence for any person or persons to operate a Non-Governmental Organization in Puntland without a registration certificate in accordance with the provisions of this Act.

**Section 39:** It shall be an offence for any NGO to engage in activities of commercial nature or profit-making adventure.

**Section 40:** It shall be an offence under this Act for an NGO whether local or international for their expatriate personnel to start work without a valid work permit.

**Section 41:** it's an offence for an NGO whether local or international to start a project in Puntland without an authorization letter from MOPIC and in consultation with the line ministry.

### **Section 42: Disciplinary and Penalty Measures against NGOs and INGOs**

1. The DG of MOPIC in consultation with the Ministers shall be responsible to take penalty measures against misconduct of an NGO.
2. The penalty measures against misconduct that MOPIC can take shall be:
  - a. A verbal warning;
  - b. A written warning;
  - c. Penalty;
  - d. Suspension of registration certificate for a specified period;
  - e. Revocation of registration certificate.
3. The registration can only be cancelled after MOPIC in consultation with the BOARD taking the following measures against NGOs for misconduct:
  - a. A verbal warning,
  - b. Then a written warning to NGO and give copy of warning to the MOPIC and other relevant government agencies
  - c. Fine
  - d. Suspension of registration
4. The MOPIC may at any time direct that the name of a registered NGO be removed from the relevant register where that INGO has:
  - a. failed to meet the current registration criteria;
  - b. Failed to discharge his duties, responsibilities and obligations as NGO;
5. Any decision regarding a disciplinary action can be appealed in the same way as that of final administrative decisions;

**Section 43:** Subject to Criminal laws in force in Puntland, Any NGO accused of an offence under this Act or any other Law in force, shall on conviction, be liable to a fine not exceeding \$5000 (Five thousand US Dollars only), or with imprisonment for a term not exceeding 10 months or with both and in case of an expatriate, shall also be expelled from Puntland.

**Section 44:** Whoever is convicted under this Act shall be disqualified for a period of five (5) years from holding an office in any organization operating in the Puntland.

**Section 45:** A staff member who commits a criminal act in breach of this law or other penalty laws will be held responsible for it with normal procedures of criminal penalties.

## **PART TEN: Miscellaneous Sections**

### **Section 46: Labor Issues**

1. All labor issues shall be governed by the civil employment laws of Puntland.
2. An employment contract or an agreement with an individual or group which is more beneficial or protective than that of Puntland Employment Law is allowed to be binding.
3. International NGOs may employ or engage foreign nationals provided that they shall obtain work permits for expatriates purporting to work in Puntland;
4. International NGOs employing or engaging expatriates, shall gradually reduce their foreign staff in favor of qualified nationals of Puntland to hold top management positions.
5. In order to promote capacity building of Nationals of Puntland, NGOs shall prepare monitored, training programmes for technical positions in the NGOs projects;
6. All NGOs may engage professional expatriate staff, only where there are no qualified Puntland Citizens.

### **Section 47: Publications and Dissemination**

The Registrar shall every year publish in the formal broadcasting or internal communication channels the names of:

- a. All Non-governmental Organization fully registered;
- b. Non-governmental Organizations dissolved or are no longer in existence;
- c. Non-governmental Organization removed from the Register in accordance with this Act.

### **Section 48: By Laws**

The Ministry shall issue by-laws to complete and execute this law

### **Section 49: The Language of this Act**

The official Language of this Act is Somali. If it is translated into any other language and an ambiguity in any of its provisions is observed, the Somali language version shall be used as a reference.

**Section 50: Overruling**

Upon ratification, this Act shall replace all other similar Acts previously in place.