CHAPTER 1.

GENERAL PROVISIONS

Article 1. Purpose of the given law

1.1 This law regulates the relations with creation and functioning of public unions and foundations.

1.2 The definition of "the non-governmental organization" of this law is applicable to public unions and foundations.

1.3 This law defines non-governmental organizations as legal entities to the rules of their establishment, activity, reorganization and liquidation, as well as rules of their functioning, managing, relation to the government.

1.4 This law does not concern political parties, trade unions, religious associations, local self-government institutions and public organizations, which are regulated by other laws.

Article 2. Non-Governmental Organization

2.1 Public union, as it is settled as aims of founding documents, is a voluntary, self-controlled, non-governmental organization established under the initiative of several physical and (or) legal entities with common interests, whose main purpose is not to gain profit as a result of the activity and share it between the members of the organization.

2.2 Foundation is a non-membership non-governmental organization established under the voluntary property benefiting of one or several physical and (or) legal entities with social, charitable, cultural, education or other public-benefit purposes.

2.3 Non-governmental organization can be formed and function with the purposes not forbidden by the Constitution and laws of Azerbaijan Republic.

2.4 Non-governmental organization cannot participate at the presidential, parliament and municipality elections in the Azerbaijan Republic as well as provide financial and other support to political parties. In accordance to the Azerbaijan electoral law non-governmental organization (foreign physical and legal entities, those of non-governmental organizations which are granted or financed by legal entities of the Azerbaijan Republic with more than 30 percent of foreign investment in authorization fund as exclusion) can be observers at the presidential, parliament and municipality elections in the Azerbaijan Republic.

Article 3. Name and domicile of the non-governmental organization.
3.1 The non-governmental organization has a name that indicates its organizational-legal form and nature of activity.

3.2 Domicile of non-governmental organization is determined by the legal address indicated in its establishing documents.

3.3 Upon change of the legal address of a non-governmental organization, it is necessary to notify the appropriate state body in writing not later than 7 days from the date of the address change.

CHAPTER 2.

ORGANIZATIONAL-LEGAL FORMS OF PUBLIC ORGANIZATIONS, TYPES AND INITIATORS

Article 4. Organizational - legal forms of non-governmental organizations

Non-governmental organization can be founded in any organizational-legal form.

Article 5. The types of non-governmental organization

Non-governmental organizations can be founded on constant or to pursue a concrete aim basis.

Article 6. Territory of activity of non-governmental organizations

6.1 Non-governmental organizations can be established and functioning with the all- Azerbaijan, regional and local statuses in the Azerbaijan Republic. Territory of activity of public organizations is determined independently by the organization.

6.2 The activity of all-Azerbaijan public organizations concerns all the territory of the Azerbaijan Republic. Activity of regional public organizations concerns two or more Administrative-territorial units of the Azerbaijan Republic. Local public organizations act within the framework of one administrative-territorial unit.

6.3 The international non-governmental organizations are public organizations acting on the territory of the Azerbaijan Republic and not less than one foreign state.

Article 7. Branches and Representative Offices of the non-governmental organizations

7.1 Registered non-governmental organization can open branches and representative offices on the territory of Azerbaijan Republic and beyond its limits.

7.2 Branch of a public organization is formed away from its organization and engaged in implementation of its activity or even parts of it.
7.3 Representative Office of public organization also forms away from the organization and is engaged in representation of its concerns and their protection.

7.4 Branch and Representative Office of public organization are funded not by a legal entity and rather from the assets of the organization that has established them and act on its behalf according to the approved provisions. Non-governmental organization is liable for its branches and representative offices.

7.5 Leaders of Branches and Representative Offices are assigned by the non-governmental organization and act according to the power of attorney issued by the non-governmental organization.

**Article 8. Participants of non-governmental organizations.**

8.1 Participants of public unions are founders, member and assisting entities. Participants of foundations are founders and assisting entities.

8.2 Members of public organizations that are legally underage according to the civil legislature of Azerbaijan Republic receive rights and obligations.

8.3 Both aliens and stateless persons can be participants of non-governmental organizations in Azerbaijan Republic.

**Article 9. Founders of the non-governmental organizations.**

9.1 Founders of public organizations can be legal entities (except for bodies of state power and institutions of local government) or physical persons who have reached 18 years of age (and 16 years of age for youth public organizations).

9.2 Founders of public organizations have equal rights. Degree of mutual rights and obligations of founders in terms of establishment of a public organization is determined by the articles of incorporation (after compiling the agreement), and by its charter in terms of participation in activity of a public organization.

**Article 10. Members of public unions**

10.1 Every physical and legal (excerpt state and municipality organs) entity in Azerbaijan Republic can be a member of a public union.

10.2 Members of a public union have equal rights. They can elect and to be elected in control bodies of public organizations, participate in their activity, control the activity of control bodies, can bear rights and abide by rules of requirements indicated in the charter.

10.3 The charter determines membership and expulsion in a public union. A member has the right of appeal within union and to the court in case of expulsion from a public union.
Article 11. Assisting entities of the non-governmental organizations

Physical and legal entities that stimulate public organizations (except for state authority and institutions of local government) are the ones that participate in activity of a public organization according to the charter and support a public organization by rendering different help and services, with no official relations. The existence of assisting entities and their legal status are determined by the constituent documents of a non-governmental organization.

CHAPTER 3.

ESTABLISHMENT OF THE NON-GOVERNMENTAL ORGANIZATIONS

REORGANIZATION AND LIQUIDATION

Article 12. Establishment of the non-governmental organizations

12.1 Non-governmental organization can be formed as of its establishment, and also reorganization of already existing non-governmental organization.

12.2 Formation of non-governmental organization by establishment is implemented by decisions of founder(s). Depending on number of the founders, constituent assembly (conference, congress, etc.) is called and the charter is adopted.

Article 13. The charter of a non-governmental organization

13.1 Charter of a non-governmental organization shall contain name and domicile, purposes of activity and rule of control, rights and obligations of members, conditions and rules of acceptance and expulsion from public organization (if member), information on sources of formation of assets of a public organization, information on acceptance of the charter, rules of amendments and additions to the charter, liquidation of a non-governmental organization and instructions for use of its assets at liquidation.

13.2 Charter of foundation should contain a name of foundation including the word "foundation", information on its domicile, purposes, bodies, including Board, information on rules of their formation, information on assigning and dismissing the officials of fund and distribution of assets at liquidation of foundation.

Article 14. Modification in the charter of a non-governmental organization

14.1 Modifications to the charter of a non-governmental organization are introduced by the decision of the supreme body of control. Changes to the charter can be made by the Board.

14.2 Preservation of the charter of fund in an invariable condition may result in random outcomes at its establishment if the charter does not allow modifications or the authorized persons have not made the necessary changes to the charter, then under the application of the Board, right to make any modifications to the charter of fund is given to the court.
14.3 The state registration of changes in the charter of fund is implemented by an executive body. Changes brought to the charter of a public organization come into effect the state registration is completed.

**Article 15. The notice on establishment of a non-governmental organization.**

15.1 Notice on establishment of a non-governmental organization implemented by the written reference to the applicable executive body not later than 30 days after acceptance of the law on establishment. Reference signed by the leaders of a non-governmental organization must include the constituent minutes.

15.2 On the day of obtaining the notice about establishment of a public union by the applicable executive body, given document is handed or mailed to the representative of public union, which verifies its legalization.

**Article 16. State registration of non-governmental organizations.**

16.1 State registration of non-governmental organizations is implemented by the applicable executive body according to the law of Azerbaijan Republic on State Registration of legal entities in Azerbaijan Republic.

16.2 Non-governmental organization receives the status of a legal entity only after state registration.

**Article 17. Refusal in state registration.**

17.1 State registration is refused in case if there is a non-governmental organization with similar name; if submitted documents contradict the Constitution of Azerbaijan Republic, this and other laws of Azerbaijan Republic.

17.2 Decision on refusal in state registration containing the reasons for refusal, violation of regulations and articles of the law made upon submission of constituent instruments is presented to the representative of a non-governmental organization in writing.

17.3 Refusal in state registration, after all deficiencies have been removed, can not hinder repeated submission of documents for state registration.

17.4 Refusal in state registration of a non-governmental organization can be appealed to court.

**Article 18. Termination of activity of a non-governmental organization.**

Termination of activity of a non-governmental organization is made by reorganization (to associate, to join, to split, to separate, to resettle) or liquidation.

**Article 19. Reorganization of a non-governmental organization.**
19.1 According to the rule indicated in the given law, public organization can be reorganized. Decision on reorganization of a non-governmental organization is received from the supreme body or from the founders, according to the order provided by the charter of organization.

19.2 Reorganization of a non-governmental organization is implemented in the form of: to associate, to join, to split, to separate, to resettle.

19.3 Reorganization of a non-governmental organization in the form of association with other organization is considered true from the moment of adopting a decision by the appropriate executive body about termination of activity of one organization in the state registry of legal entities.

19.4 Reorganization of a non-governmental organization in the form of separation is considered true from the moment of adopting a decision by the appropriate executive body about termination of activity of one organization in the state registry of legal entities and establishment of a new organization.

19.5 After association or separation, all assets or part their part as well as debts of associated or separated organizations pass to a newly established organizations.

19.6 After reorganization of a non-governmental organization all legacy issues must be legalized in accordance to the Civil Code of the Azerbaijan Republic.

Article 20. Liquidation of a non-governmental organization.

Non-governmental organization can be liquidated in the order provided by the law of Azerbaijan Republic on State Registration of legal entities.

Article 21. Assets of the liquidated a non-governmental organization.

All property issues related to the liquidation of a non-governmental organization are solving in order made up by the Civil Code of the Azerbaijan Republic.

CHAPTER 4

ACTIVITY OF A NON-GOVERNMENTAL ORGANIZATION

Article 22. Types of activity of a non-governmental organization.

22.1 Non-governmental organization can execute any kind of activity both in the country and beyond its limits, if it does not contradict to the legislature of Azerbaijan Republic and purposes provided in the charter of a non-governmental organization.
22.2 Non-governmental organization can execute commercial activity and direct the acquired profit only on achievement of the purposes intended upon establishment of the organization and not dividing it between the founders (members). Such types of activity can be production and sale of goods and services that meet the requirements of establishment of a non-governmental organization and produce profit, acquisition of financial credit instruments, property and non-property rights, participation in economic societies and partnerships as investors.

22.3 Non-governmental organization keeps account of incomes and expenditures of commercial activity. Only the law determines limits in types of activity of a non-governmental organization.

**Article 23. Asset of a non-governmental organization**

23.1 Admissible forms of assets can constitute property or operating management of a non-governmental organization.

23.2 Non-governmental organization is liable by its assets only. Such assets can only be alienated only in accordance with the laws of Azerbaijan Republic.

23.3 Assets of a foundation are settled by its founder (founders). An entity who's donating property to the foundation after its settling does not become a founder. Founders and foundation are not responsible for debts of each other.

**Article 24. Sources of formation of assets of a non-governmental organization**

24.0 Sources of formation of assets of a non-governmental organization are:

24.0.1 Regular and single fees of the founders and members;

24.0.2 Voluntary property donations;

24.0.3 Income from produce, sale of goods, rendering services, performed activity;

24.0.4 Income from the stocks, borrows and other financial credit instruments and dividends from the contributions;

24.0.5 incomes of use by property and its sale;

24.0.6 grants;

24.0.7 other incomes, not forbidden by the legislature

**CHAPTER 5**

*MANAGEMENT OF A NON-GOVERNMENTAL ORGANIZATION*
Article 25. Bases of management of a public union

25.1 Pattern, structure of a public organization, authority of control bodies, rules of formation and time of their authorities, rules of decision making and right to speak on behalf of a public union are determined by the charter of a public union applicable to this and other laws.

25.2 Supreme body of control of a public union is the general meeting convoked not less than once per year.

25.3 General meeting is convoked by executive body, founder or two third of its members.

25.4 General meeting is to observe purposes established in the name of a public union interests.

25.5 The following tasks concern the authorities of the general meeting:

25.5.1 Adopting, amending and modification in the charter of a public union;

25.5.2 Definition of formation of assets of a public organization and principle of its usage;

25.5.3 Creation of executive bodies of a public union and determination of them in advance of their term

25.5.4 Approval of the annual report;

25.5.5 Participation in other organization;

25.5.6 Reorganization and liquidation of a public organization.

25.6 The general meeting is competent at participation of more than half of its members. Decision of the general meeting is made by the majority vote of members participating in the meeting. Each member of the meeting has one voice.

25.7 Written minutes are taken on each general meeting. The chairman and the secretary should sign minutes. The minutes of the meeting should be distributed to all members of the meeting, if necessary.

Article 26. The executive body of a public union

26.1 The executive body of a public union can be collective and (or) independent. It executes a current management of the activity of a public organization.

26.2 The executive body opens branches and representative offices.
26.3 The executive body has the authority to resolve problems connected with this law, other laws of other management bodies of a public organization and all tasks defined by the charter of a public union.

**Article 27. Management of a foundation**

27.1 President or Board is managing a foundation.

27.2 Trusteeship Council is a supervision body of a foundation deal to the control of foundation's activity, its bodies' decisions and their implementation, use of assets, amendments in a charter, decision on reorganization or liquidation of a foundation. Trusteeship Council is acting on a public basis.

27.3 Charter of a foundation defines a trusteeship council status.

**CHAPTER 6**

**NON-GOVERNMENTAL ORGANIZATIONS AND STATE BODIES**

**Article 28. Relation between state power bodies and non-governmental organizations**

Rights of a public organization are defended by means of the state local law and judicial authority. The public organization has the right to independently execute the activity within the framework of the local law. The bodies of state power are competent to assist public organizations in financial and other areas. The bodies of state power as far as their officials cannot interfere in the activity of a non-governmental organization.

**Article 29. Control over the activity of non-governmental organizations**

29.1 Non-governmental organization conducts account reports according to the law.

29.2 Amount and pattern of the income of a public organization and its assets, expenditures, information on quantity of staff, wages, indemnification to the volunteers can not be considered as a state or trade secret.

29.3 Non-governmental organization is publishing once a year its financial report.

**Article 30. Redemption of the non-governmental organizations from the taxes.**

Non-governmental organizations are using kinds of tax-exempts as it is settled in the Tax Code of the Azerbaijan Republic.
CHAPTER 7

FINAL REGULATION

Article 31. Liability of a non-governmental organization

31.1 Upon violation of the requirements made from rules of this Law, non-governmental organization bears the responsibility according to the laws of the Azerbaijan Republic.

31.2 In case of undertaking actions that contradict to the purposes of this law, non-governmental organization receives written warning from the applicable executive body or instructions on liquidation of violations.

31.3 Non-governmental organization has the right to appeal to court against the given warning.

31.4 If non-governmental organization received more than two warnings or instructions on correction of violations within a year, the court can liquidate non-governmental organization.

Article 32. Re-registration of registered non-governmental organizations

Non-governmental organizations registered until the given law came into effect should be included in the State registry of legal entities of Azerbaijan Republic from the applicable executive body.

Article 33. Date of effect of this law

This law comes into effect from the moment of its promulgation.

Heydar Aliyev

The President of the Azerbaijan Republic

Baku, June 13, 2000

[1] Source: "Azerbaijan" newspaper from 10/06/00