

**ASSOCIATIONS ACT**  
**(ACT NO: 1/2003)**

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# **Associations Act**

**Act No: 1/2003**

## **0. Introduction and Name**

- a) This Act makes provision in respect of the incorporation, registration and operations of associations, parties and clubs.
- b) This Act shall be cited as the “Associations Act”.

## **0. Incorporation and Management of Associations**

Every association should be incorporated and operated in the Maldives in accordance with the provisions of this Act, and regulations made under this Act.

## **0. Duties of Government Authorities**

While formulating, designing and executing its policies, every government authority should try, within the boundaries of laws and regulations, to aid and encourage non-profit associations registered under this Act and formed to assist in the development of Maldives.

## **0. Governing Regulation**

Every association shall have a Governing Regulation, in accordance with this Act and regulations made under this Act.

**5. Information and other requirements to be included in Governing Regulation.**

The Governing Regulation of every association shall contain the following information and requirements.

- a) The name of the association;
- b) Full address of the registered office of the association;
- c) The objective(s) of the association;
- d) Income and properties of the association is not to be distributed among the general members nor among the members of the Executive Committee;
- e) Neither the founding members, nor the general members or the members of the Executive Committee have any ownership rights whatsoever to claim on any property or finance belonging to the association;
- f) Any money or property left over after paying off the debts and liabilities of the association after its dissolution shall be given away to another non profit association or to a government approved charity;
- g) Types of membership and procedures on how to become a member of the association;
- h) Procedures on how to resign from and to terminate membership;
- i) Whether members of the association have to pay a membership fee or not, and if there is a membership fee, the amount and procedure for the payment of membership fee;
- j) How an association will raise funds for operations and other activities of the association;
- k) Designations of association's Executive Committee, and responsibilities of these designations;
- l) Procedures for appointment, election and removal of members from the Executive Committee of the association;
- m) Regulations on General Meetings, conduction, quorum, chairing and preparing minutes for such meetings;

- ) Regulations on Executive Committee Meetings, conduction, quorum, chairing and preparing of minutes for such meetings;
- ) How votes will be given at the General Meetings and Executive Committee Meetings of the association and how resolutions are to be passed in such meetings;
- ) Winding up of association;
- ) How the Governing Regulation could be amended;
- ) Any other information required by regulations made under this Act to be incorporated in the Governing Regulation of associations.

## **0. Registration of Associations**

- ) Persons, not fewer than two, desiring the incorporation of an association shall submit to the Registrar of Associations a Governing Regulation of the proposed association together with the registration fee as provided in the subsection (c) of this clause. In this respect an association proposed to be registered shall be registered providing the information contained in the Governing Regulation are not in contravention to the principles of Islam, to this Act or to any other Acts of Maldives.
- ) Persons desiring to form an association in accordance with the subsection (a) should be of age 18 years or older.
- ) There shall be a registration fee of 100/- (one hundred) rufiyaa for the registration of association in accordance with the subsection (a).

## **0. Certificate of Registration**

Upon registering an association in accordance with the provisions of section 6 of this Act, the Registrar of Associations shall issue a certificate to the effect that the association has been registered.

## **0. Notice given to alter the Governing Regulations**

Prior to registration, the Registrar of Associations has the discretion to give notice for the Governing Regulation of the proposed association to be altered in accordance with this Act and regulations made under this Act.

## **0. Name of the Association**

- ) The name of an association shall be acceptable to the Registrar of Associations. If the proposed name for the association in the opinion of the Registrar of Associations is undesirable, such a name cannot be registered.
- ) Every association shall, at the place where its office is managed, place the name of the association written in Thaana letters in a manner that it can be seen from outside the premise.

## **0. Change of Name**

An association registered under this Act may resolve that the name of the association be changed following a special resolution passed in a general meeting of its members.

## **0. Registration of New Name**

After the name of an association has been changed in accordance with the provisions of section 10 of this Act, upon informing the Registrar of Associations of the new name, if in the opinion of the Registrar of Associations such a name is desirable, the Registrar of Associations shall register the said name and issue a certificate of registration in respect of the association in the said name. The date

of the change of name shall be the date on which the certificate of registration is issued.

## **12. Effect of Change of Name**

Any right or obligation of the association or any legal proceeding commenced or that might have been instituted by the association or any suit brought against the association or that might have been instituted against the association shall not be affected by a change of name of the association under section 10 or section 11 of this Act.

## **13. Effect of Registration**

- ) Upon registration of every association in accordance with this Act, such association shall be a legal entity, separate to those of its members, by the name contained in the Governing Regulation capable of exercising all the matters specified in the Governing Regulation and of suing and being sued and of acquiring movable and immovable property subject to laws and of acquiring property in perpetual succession, and possessing rights in respect of these matters.
- ) Upon registration of the Governing Regulations observance of the provisions found therein shall be binding upon the association and every member of the association.

## **14. Seal, Flag, Colour, Motto**

- ) A seal or flag or colour or a motto could be used for an association registered in accordance with provisions of this Act, after submitting the seal or flag or colour or the motto to the Registrar of Associations and registering it.

- ) A seal or flag or colour or a motto proposed to be registered in accordance with subsection (a) is undesirable in the opinion of the Registrar of Associations, such a seal or flag or colour or a motto cannot be registered.

#### **15. Founding members of the Association**

- ) Persons proposing an association to be registered in accordance with the provisions of section 6 of this Act should in effect be the founding members of the association.
- ) Within 6 months from the date of registration of an association under this Act the association shall hold a general meeting to appoint or elect an Executive Committee in accordance with the Governing Regulations, after which details of the members of the appointed or elected Executive Committee should be submitted to the Registrar of the Association within 30 days from the date of holding the general meeting. Thereafter any change or alteration to the Association's Executive Committee should be notified to the Registrar of the Association within 30 days of such a change or alteration.
- ) During the process of registering an association and before a general meeting mentioned under the subsection (b) of this Act is held after registering an association, the founding members of the association should be involved and responsible for all the activities of the association until the first Executive Committee is appointed or elected. After the Executive Committee is appointed or elected the Executive Committee shall be involved and responsible for all the activities of the association.

#### **16. Registry of Members**

- ) In accordance with the Governing Regulations of every association there should be a registry of members of the association with their names and addresses.



- ) Upon a request by the Registrar of Associations a copy of the registry of members of association or a list of members of the association should be provided by the association to the Registrar of Associations.

### **17. Membership Fee**

Every association may collect a membership fee from its members as mentioned in its Governing Regulation.

### **18. Changes to the Governing Regulation**

In accordance with this Act and regulations made under this Act, an association may alter the provisions of its Governing Regulation by passing a special resolution in a general meeting, subject to approval of the Registrar of Associations.

### **19. Prohibiting the incorporation of an association**

To maintain harmony and sovereignty of the country, incorporation of an association for the purposes mentioned under this section is prohibited.

- a) Conflicting with the principles of Islam, or disregarding Islamic religion, or rebuking or undervaluing religious harmony of the country, or expressing or propagating the thinking and beliefs of any another religion other than Islamic religion.
- b) Any doings in breach of the constitution and the laws of Maldives.
- c) Any doings underrating freedom, sovereignty of the country or its government.
- d) To break away citizens inside the border of the Republic of Maldives or any persons from Maldives from the boundary of the States enforcement

- e) Other than for State interests, to train, be trained or conduct any kind of military activity.
- ) Infringe the rights of Maldivian citizen or a group among Maldivian citizenry or inciting conflict within the society.
- ) Encourage, enforce or aid to do any act mentioned in subsection (a), (b), (c), (d), (e), (f)

## **0. Functions of Association**

Upon registering an association in accordance with the provisions of section 6 of this Act, the association has the discretion to commence its functions as specified within the objectives of the association, in accordance with the laws and regulations of Maldives and the association's Governing Regulation.

## **0. Doing business in the name of the association**

- ) In order to achieve objective(s) stipulated in the Governing Regulation, it is permitted for an association registered under this Act to carry out business transactions, as long as it is in accordance with the laws and regulations of Maldives while complying with the regulations of that association, and that it is done not to raise an earning for the members of the association and that they do not claim profits raised as a result of such transactions.
- ) Any business transaction mentioned in this subsection (a) should not outweigh other activities or functions carried out by the association. And any such business transaction should always be in aid of and pursuance of the objectives mentioned in the Governing Regulation.

**0. Seeking and accepting assistance from foreign parties**

Every association registered under this Act should seek or accept any form of assistance from any foreign parties in accordance with the regulations of the concerned authorities of the Government.

**0. Debts of the Association**

- ) Any debt or such responsibility shall be borne by an association only after it has been approved by the Executive Committee and a plan has been drawn to pay off such a debt and if it is in accordance with the Governing Regulation of the association.
- ) If an association wishes to seek a loan or financial liability beyond its financial capacity and properties, such undertaking should be carried out after it is approved by the Executive Committee, and, thereafter, approved in a General Meeting of its members by passing a special resolution.

**0. Members of the Executive Committee**

A member of the Executive Committee shall be a person of 18 years of age or older according to Gregorian Calendar and be a general member of the association, and if the Executive Member is to be another party then such a member should have been selected to represent that party.

**0. Abuse of Association's Legal Entity**

Notwithstanding the fact that an association upon registering in accordance with the section 13 of this Act is an entity separate from its members with a separate legal entity, where a person or a group of people who carried out the illegal acts using the distinct entity of the association as a veil, shall be held liable for the doings.

## **0. Keeping Financial Records**

Every association should keep its financial records of incomes, expenditure, properties of the association, debts and other legally binding obligations of the association in a clear and proper order.

## **0. Place and Period for Keeping of Financial Records**

Every association should keep its financial records at the registered office of the association in a way open for inspection at the request of the members of the association for a period of five years from the date of preparation of the said records.

## **0. Annual Accounts and Reports**

Every association shall prepare and submit for approval at the annual general meeting of the association, the annual income and expenditure report, a report on its functions and activities undertaken by the association in the previous year, after these had been approved and signed by the Executive Committee of the association.

## **0. Accounts and Reports to be sent to the Registrar.**

The annual accounts and reports stated in section 28 and the auditor's report as stated in section 30 of this Act shall be submitted to the Registrar of Associations within 30 days from the date of holding the annual general meeting of the association.

### **30. Auditors**

Amongst associations registered under this Act which need to prepare the audit report under regulations made under this Act shall prepare the audit report and submit it to the General Meeting of the association.

### **31. Voluntary Winding Up of Association**

- a) Voluntary winding up of an association may be decided by the association where acting as according to the association's Governing Regulation the members of the association have approved the dissolution by passing a special resolution in a General Meeting of members of the association.
- b) If an association decides to wind up according to the subsection (a), a public announcement of the dissolution should be made as to any claim or debt, loan or charge brought against the association which needs to be settled according to the regulations made under this Act, and, thereafter, when everything has been settled and all conditions have been fulfilled in accordance with this Act and the regulations made under this Act, and the issue has been brought forward to the Registrar of Associations then such an association could be dissolved by the Registrar of Associations.

### **32. Canceling the Registry of an Association**

- a) If an association failed to commence any activities set out by them within two years from the date of registration or an association failed to carry out any activity for a period of two years or an association is repeatedly at fault with this Act and regulations made under this Act, or committed an act mentioned under section 19 of this Act, after giving a period to settle

debts and properties of the association, the Registrar of Associations has the right to cancel the registry of such an association.

- b) After canceling the registry of an association in accordance with the subsection (a) all the rights attained due to the registration of the associations comes to an end and the association is dissolved.

### **33. Winding Up by the Court**

Where an association is unable to settle its debts, or it is proved to the Court that the association has been repeatedly in default to comply with the statutory requirements or is managed for illegal purposes or where the court is of the opinion that the winding up of the association is the most just and fair solution in respect of the matter and the Court orders the winding up of the association, then after giving a period to settle the debts and property of the association, the Registrar of the Associations should dissolve the association.

### **34. Associations registered outside the Maldives**

- a) International organizations, except those which come into being as a result of an agreement with the Maldivian government or those formed following Maldives rectifying international convention(s), should only operate in the Maldives after they have submitted their information required by the regulations made under this Act to the Registrar of Associations and having obtained an approval to operate in Maldives by getting it registered in accordance with the laws and regulations of the country.
- b) Associations registered as International Organizations under the subsection (a), should only operate in Maldives, in accordance with this Act and regulations made under this Act, without any discrimination between associations registered under section 6 of this Act, and without

any discrimination in complying with the requirements of this Act and regulations made under this Act.

### **35. Exceptions**

Associations formed among students of Secondary Schools or of lower schools and operated at their schools are given exception under this Act.

### **36. Existing Associations**

- a) Associations registered with the Ministry of Home Affairs, Housing and Environment under Act No. 26/82 (Law of registration of associations, clubs and parties) and existing at the date this Act comes into effect, shall upon this Act coming into effect be deemed to be registered under this Act.
- b) Where Governing Regulations of associations are registered with the Ministry of Home Affairs, Housing and Environment prior to passing of this Act, such associations are required to alter them such that the Governing Regulations are in compliance with this Act, and submitted to the Registrar of Associations within one year according to Gregorian Calendar from the date of this Act comes into effect.

### **37. Penalties**

- a) If an association contravenes this Act or regulations formed under this Act, or fails to act within the allocated period for which a period has been allocated for action, or disobeys order(s) given by the Registrar of Associations in accordance with discretions placed on him under this Act and regulations made under this Act, the Registrar of Associations has the

right to penalize such an association for a fine not exceeding 500/- (five hundred) Rufiyaa.

- b) If a person incorporates or operates an association without registering in accordance with or in contradiction to this Act such a person shall be given a penalty of two to five years sentence in jail or banishment to another island or be placed under house arrest.

### **38. Regulations**

Regulations to be made under this Act shall be made and enforced by an appointee of the President of Maldives.

### **39. Definitions**

In this Act unless the context specifically indicates otherwise.

- a) “Association” shall mean associations, parties and clubs incorporated in accordance with this Act as business organizations or non-profit organizations.
- b) “Registrar of Associations” shall mean the person appointed by the President of Maldives to discharge the functions of Registrar of Associations as provided in this Act.
- c) “Special resolution” shall mean any resolution passed by two third majority of those votes of members eligible to vote in a general meeting of the association.
- d) “Person or Persons” shall mean to include legal entities as well.
- e) “Announce publicly” shall mean to publish in a daily newspaper published regularly in the Maldives and to broadcast over radio and to telecast over television in accordance with regulations made under this Act.



- f) “Executive Committee” shall mean a collection of people with designations appointed or elected to run an association in accordance with an association’s Governing Regulations.
- ) “Non-profit organization” shall mean from the associations registered under this Act, every association that has been formed for charitable cause.

## **0. Laws repealed**

Act No. 26/82 (Law of registration of associations, clubs and parties) shall be repealed from the date this Act comes into effect.