

DRAFT MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF ISLAMIC REPUBLIC OF PAKISTAN
AND
[NAME OF ORGANIZATION]

This MOU is made between the Government of Pakistan through the Economic Affairs Division, (hereinafter referred to as "the Government") and(hereinafter referred to as "the Organization"), a not-for-profit organization registered under (law) at (address)_____ and Office at (address)_____

Whereas the Organization (**Name of NGO**) desires to undertake work for the project (**name**) located in (districts) _____, and for this purpose has submitted an application for registration accompanied by requisite documentary information. Now, the Government is pleased to allow the organization to carry out its work on the following conditions:-

1. This MOU shall be governed by laws and policies of the Government of Pakistan.
2. **The Government may:**
 - 2.1. Allow (**Name of NGO**) to receive foreign contributions including funds, materials and services, emanating from declared sources, through legal channels, subject to reporting requirements.
 - 2.2. Allow (Name of NGO) to open, maintain and operate accounts for the execution of its work.
Provided that for opening and operating foreign currency accounts, the (Name of NGO) shall seek permission of the State Bank of Pakistan, under the applicable law and rules;
 - 2.3. Allow (**Name of NGO**) to maintain its office at..... and to open other offices, if required, with prior written approval of the Government, subject to the concurrence of the Provincial Government / local government and compliance with applicable law / rules.
3. **Import / Tax Regulations**
 - 3.1. The (**Name of NGO**) may avail 100% tax credit subject to the provisions of the Section 100C and approval of the Commissioner Inland Revenue concerned, under Section 2(36) of the Income Tax Ordinance 2001.
4. **Obligations of the Organization**

The Organization shall:-

 - 4.1. Use funds, materials and services received by it as foreign contribution or foreign economic assistance from declared sources, through legal channels, for its specified work, and provide to the Government every six months complete information regarding flow of such funds, materials and services and when required by the Government.
 - 4.2. Obtain prior concurrence of the Government for any additional funding or different source of funding other than that specified by the (**Name of NGO**).
 - 4.3. Appoint and employ a representative and other senior management personnel as appropriate, who will manage the work and supervise the staff on behalf of the (**Name of NGO**) and liaise with the Government, and the Provincial / local Governments.

- 4.4. Make payment above Rs.20,000/- (Twenty Thousand) in Pakistan through banking channels and to provide complete details in this respect to the Government every six months.
- 4.5. Ensure that all staff shall pay applicable taxes.
- 4.6. Ensure withholding of tax, wherever applicable, and deposit of the same in Government treasury.
- 4.7. Ensure that the administrative expenses do not exceed 30% of the project cost.
- 4.8. Ensure filing of Income Tax Return and withholding statements.
- 4.9. Submit to the Government when required, written reports covering its activities and progress on the projects, funds received from abroad and their expenditure in Pakistan.
- 4.10. Have its performance audit done from a panel of Auditors approved by the NGO Committee.
- 4.11. Ensure that its entire work is undertaken in accordance with the laws and policies of Government of Pakistan.
- 4.12. Inform respective Provincial Governments and concerned Local Governments / district authorities regarding its programs / projects in their area and obtain their approval/permission/NOC for carrying out permissible activities.

The Organization shall not:-

- 4.13. Engage in money laundering, terrorist financing, weapon smuggling, anti-state activities and maintaining links with proscribed organizations.
- 4.14. Take part or assist in any kind of political activity; conduct research or survey unrelated to their TORs unless sanctioned by the Government; carry out missionary work in Pakistan or any other unauthorized or prohibited activities.
- 4.15. Transfer or rent / lease out its possessions or allow their use for purposes other than those specified and agreed upon between the Parties in this MOU.
- 4.16. Indulge in distribution of any material or pamphlet causing or likely to cause religious resentment in the area of its activities.

5. Termination of MOU

- 5.1. The Government reserves the right to immediately terminate this MOU and cancel registration of the (Name of NGO) in case of non-compliance with any provision of this MOU.
- 5.2. The Government may also terminate this MOU on the following grounds:-
 - 5.2.1. The (Name of NGO) has been found to be working in a geographical area other than the areas authorized.
 - 5.2.2. The non-cooperation or breach of security or participation in any activity inconsistent with national interests, and religious sentiments of the people.
 - 5.2.3. The objectives stated by the (Name of NGO) are not being pursued.
 - 5.2.4. False, incomplete or misleading information has been furnished to the Government.
 - 5.2.5. No reasonable activity has been undertaken by the (Name of NGO) for a period of one year after signing of this MOU.
 - 5.2.6. The (Name of NGO) has ceased to exist.

5.3. In case of termination of this MOU, the registration of the (Name of NGO) will stand cancelled and it shall cease all its activities forthwith.

6. The (Name of NGO) may file a written request for cancelation of its registration and closing of its activities with 3 months prior notice to the Government for its approval and clearance in accordance with the laid down procedure.

7. **Entry into Force and Duration of MOU**

This MOU shall enter into force on the date of signatures and shall remain valid up to.....

In witness whereof, the undersigned representatives, duly authorized by the Government and the (Name of NGO), have signed this Memorandum of Understanding.

Done at Islamabad, on this.....day of..... 2020, in English language in two originals, the signatories to retain a copy each.

Joint Secretary
For the Government of the
Islamic Republic of Pakistan

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Organization Representative