|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **MEMORANDUMOFUNDERSTANDING****BETWEEN****THE GOVERNMENT OF ISLAMIC REPUBLIC OF PAKISTAN****AND****[NAME OF ORGANIZATION]**This **Memorandum of Understanding (MoU) is made and entered into by and between** the Government of Pakistan through the Interior Division, (hereinafter referred to as “the Government”) and ………………………(hereinafter referred to as “the Organization”), a not-for-profit organization registered in(country name) at (address)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and Local Office at (address)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Whereas the Organization desires to undertake work for the socio-economic development in Pakistan in the field of vocational education and training, health, poverty alleviation, culture, environmental protection, natural disaster reduction and management, science and technology, sports and other areas approved by the Government1)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and located in (districts)\_\_\_\_\_\_\_\_\_\_\_, and for this purpose has submitted an Online 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 the Constitution, laws, rules, regulations and policies of the Government of Pakistan.
2. The Government may:
	1. Allow (Organization) to receive foreign contributions including funds, materials and services, emanating from declared sources, through legal channels, subject to reporting requirements.
	2. Allow (Organization) to open, maintain and operate local bank accounts for the execution of its work.

Provided that for opening and operating foreign currency accounts, the (Organization) shall seek permission of the State Bank of Pakistan, under the applicable law and rules;* 1. Allow (Organization) to maintain its head 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.
1. **Import / Tax Regulations**
	1. The Organization 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.
	2. The organization may import goods free from payment of advance income tax, for exclusive consumption by it or for use in the approved programs, project and activities, subject to the provisions of clause (56) of Part IV of Second Schedule to the Income Tax Ordinance 2001, with prior written approval of the Federal Board of Revenue (concerned Commissioner Inland Revenue). For exemption from payment of custom duty and sales tax, the Organization may import goods for its projects under heading 9903 of Pakistan Customs Tariff and Serial No. 46 of 6th Schedule to the Sales Tax Act, 1990.
2. **Obligations of the Organization**

The Organization shall:-* 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 in the prescribed format.
	2. Obtain prior concurrence of the Government for any additional funding or different source of funding other than that specified by the Organization.
	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 Organization and liaise with the Government, and the Provincial / local Governments.
	4. Employ foreign nationals against not more than 10% of the total staff positions, and give preference to Pakistan nationals for key positions. The organization shall employ foreign national(s) to work in Pakistan subject to prior clearance by Ministry of Interior.
	5. Ensure that every expatriate has obtained an INGO visa prior to his / her entry into Pakistan as required under existing rules / regulations of Pakistan. The Organization shall not employ expatriates who are in the country on any other visa.
	6. Obtain prior written permission from the Government for visits to prohibited areas by expatriate personnel.Restricted and prohibited areas are out of bound for the operations of the organization.
	7. Ensure that all expatriate staff are informed that while they are in Pakistan, they shall be subject to (a) the laws and regulations of Pakistan, and (b) respect religious injunctions and cultural norms in Pakistan.
	8. Provide lists of its foreign and locally hired staff to the Government at the time of registration and on a six monthly basis thereafter in the prescribed format.
	9. Make payment above Rs.20, 000/- (Twenty Thousand) in Pakistan through banking channels. Retain also complete details of payments below Rs. 20,000/- for audit purposes.
	10. Ensure that all staff (foreign and local) working in Pakistan shall pay applicable taxes.
	11. Ensure withholding of tax, wherever applicable, and deposit of the same in Government treasury.
	12. Ensure that the administrative expenses do not exceed 30% of the project cost.
	13. Ensure filing of Income Tax Return and withholding statements.
	14. Submit to the Government every six months and when required, written reports covering its activities and progress on the projects, funds received from abroad and their expenditure in Pakistan.
	15. Submit, on yearly basis, independent or third party evaluation including quantitative and qualitative assessment and impact of its work to the Government, Provincial Government and local government. Monitoring includes verification of developmental activities by district level committees.
	16. Prepare its annual financial statements and annual audit done from a panel of Auditors approved by the INGO Committee.
	17. Ensure that its entire work in Pakistan is undertaken in accordance with the Constitution,laws, rules, regulationsand policies of Government of Pakistan.
	18. Provide to the INGO Committee its Annual Action Plan as well as Annual Progress Reports in the first month of every calendar year.
	19. 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.
	20. Provide access to premises, documentation, equipment and data relating to the organization and its local partners activities in Pakistan.

The Organization shall not:-4.21 Undertake programs, projects and activities in contravention of the Constitution, laws, rules, regulations and policies of the Government of Pakistan.4.22. Establish headquarter and field offices, open bank accounts, and hire staff prior to approval of registration in Pakistan.4.23. Raise funds and/or receive donations locally, unless specifically authorized.4.24. Seek change in visa category.* 1. Engage in money laundering, terrorist financing, weapon smuggling, anti-state activities and maintaining links with proscribed organizations.
	2. Take part or assist in any kind of political activity; conduct research or survey unrelated to their approved areas of work, unless sanctioned by the Government; carry out missionary work in Pakistan or any other unauthorized or prohibited activities.
	3. Provide, directly or indirectly, without approval of the Government, any assistance (monetary and / or material) to any local / international non-governmental organization.
	4. Transfer or rent / lease out its moveable and immoveable assets or allow their use for purposes other than those specified and agreed upon between the Parties.
	5. Indulge in distribution of any material or publication, via print, online, electronic or any other means causing or likely to cause or negatively affect social, cultural and religious ethos and sentiments.

 * 1. Share any data generated through its programs, projects and activities in Pakistan with any third party, inside Pakistan or abroad without prior written consent of Government.
1. **Amendments to and Termination of MOU**

5.1. The Government reserves the right to amend or terminate this MoU at any time and cancel registration of the organization in case of non-compliance with any of the provision of this MoU.5.2 The Government further reserves the right to terminate this MOU or cancel the registration of the Organization if it; 1. Is found to be working in a geographical area other than the areas authorized;
2. Is found engaged in or breach of security or participate in any act inconsistent with Pakistan's national interests, sovereignty, territorial integrity, culture, norms and religious sentiments of the people or contrary to Pakistan's policies;
3. Provides false, incomplete or misleading information furnished to the Government.
4. Does not undertake any reasonable activity for a period of six months.
5. Has ceased to exist.

5.3 Violations of any provision of this MoU will be dealt with in accordance with the laws, rules, regulations and policies of the Government.* 1. In case of termination of this MOU, the registration of the Organization will stand cancelled and it shall cease all its activities forthwith.
	2. Termination of this MoU or cancellation of registration shall not be admissible in any court of law. Moreover, the organization if it wishes to, may file a review / appeal in case of termination / rejection / cancellation of its registration. The decision of the Special Ministerial Committee shall be final.
1. The Organization 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.
2. **Entry into Force and Duration of MOU**

7.1 This MOU shall supersede all previous agreements and MOUs, if any, executed by the Organization with the Government of Pakistan.7.2 Any additional framework of operations entered into at the Provincial or district levels shall not derogate from the provisions of this MoU. In case of any conflict the provisions of this MoU shall prevail.7.3 Renewal of this MoU shall be subject to verification of projects, annual plans of action, annual reports and audited accounts including third party evaluation and other requisite information relevant to this MoU, submitted by the organizations to the INGO Committee.7.4 This MOU shall enter into force on the date of signatures and shall remain valid for **01** year (s).In witness whereof, the undersigned representatives duly authorized by the Government and the Organization, have signed this Memorandum of Understanding. Done at Islamabad, on this…………day of……………..… 20 , in English language in two originals, the signatories to retain a copy each.

|  |  |
| --- | --- |
| 1. Joint Secretary

For the Government of the Islamic Republic of PakistanMinistry of Interior | ( )Organization Representative |
| 1. Joint Secretary

For the Government of the Islamic Republic of PakistanEconomic Affairs Division |  |

 |