



## This document has been provided by the International Center for Not-for-Profit Law (ICNL).

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at  
<http://www.icnl.org/knowledge/library/index.php>  
for further resources and research from countries all over the world.

### Disclaimers

**Content.** The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

**Translations.** Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

**Warranty and Limitation of Liability.** Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

**BOSNIA AND HERZEGOVINA**  
**LAW ON BIH ASSOCIATIONS AND FOUNDATIONS**  
*(Official Gazette of BiH, No. 32 of December 28, 2001)*

**PART I: ASSOCIATIONS AND FOUNDATIONS**

**I.1. GENERAL PROVISIONS**

**Article 1**

This Law shall regulate the founding, registration, internal governance and dissolution of associations and foundations which elect to register or are required to register pursuant to this Law.

**Article 2**

1. An association is created by a common agreement in which a group of three or more physical or legal persons, in any combination, voluntarily associates to further a common interest or public interest, and who do not intend to gain profit. An association becomes a legal person when it is registered as provided in this Law.
2. A foundation is a legal person without its own members, intended to manage specific property for the public benefit, or for charitable purposes. A foundation becomes a legal person of Bosnia and Herzegovina when it is registered as provided in this Law.

**Article 3**

1. Physical and legal persons who are either citizens or residents of Bosnia and Herzegovina, or who are registered therein, shall be free to voluntarily associate into associations or foundations for any purpose in compliance with the Constitution and the laws of Bosnia and Herzegovina.
2. Associations and foundations shall be free to carry out their activities in the entire territory of Bosnia and Herzegovina regardless of where they have been registered.
3. The goals and activities of a registered association or foundation shall not include electioneering, fundraising for candidates, or financing of candidates or political parties.

#### **Article 4**

1. An association or foundation can perform economic activities only if the principal purpose of such activities is pursuing of statutory goals.
2. An association or foundation may perform unrelated economic activities (economic activities that are not directly related to the realization of main statutory goals of an association or foundation) only through a separately established legal person.
3. The annual revenue, reduced for expenses, from such unrelated economic activity of an association or foundation, including that of separate legal persons established pursuant to this Article, shall not exceed one-third of the organization's annual budget, or 10,000 KM, whichever amount is higher.
4. Profit generated from an association's or foundation's unrelated economic activities can only be used for advancing statutory goals.
5. The following persons shall not directly or indirectly obtain profits or other financial benefits gained through the activities of associations or foundations: founders, association members, members of managing bodies, responsible persons, employees or donors.
6. The limitation set out in the previous paragraph does not exclude reimbursing such persons for work or for expenses related to the realization of lawful aims and activities as determined by the statute of the association or foundation.
7. The limitations set out in this Article shall not limit the property of the association or foundation as referred to in Article 46 of this Law.

#### **Article 5**

1. Associations and foundations shall be independent in determining their goals and activities in compliance with the Constitution and the law.
2. The program and activities of an association or foundation may not contravene the constitutional order of Bosnia and Herzegovina, nor may they be directed at its violent destruction, stirring of ethnic, racial or religious hatred, or any discrimination prohibited by law.

#### **Article 6**

1. An association or foundation can be entrusted, by law or by delegation of the competent authorities, to perform public competence within its activities.

2. This assignment shall not be made against the will of an association or foundation.
3. If an association or foundation has agreed to perform public competence, it is obliged to ensure lawful and undisturbed performance of public competencies.
4. Unless its statute provides to the contrary, the operation of a registered association or foundation shall be public.

## **Article 7**

1. Every registered association or foundation shall have its full name and seat.
2. In performing their activities, registered associations and foundations may use only their registered names.
3. The name of a registered association or foundation must be in the three official languages of Bosnia and Herzegovina.
4. An association or foundation may have a logo.
5. The name, abbreviated name or a logo of a registered association or foundation must be clearly distinguishable from the name or logo of other registered associations or foundations.
6. Along with its full name, an association or foundation may also use an abbreviated name.

## **Article 8**

1. The Ministry referred to in this Law shall be the Ministry of Civil Affairs and Communications of Bosnia and Herzegovina.

## **I. 2. ASSOCIATIONS**

### **I. 2.1. The Founding of Associations**

## **Article 9**

1. An association qualified for registration may be established by at least three physical persons or legal persons of Bosnia and Herzegovina, in any combination, who are either citizens or residents of Bosnia and Herzegovina, or who are registered therein,

but it may not be established by the state of Bosnia and Herzegovina, entities, cantons, cities, municipalities, local communities, state organs, state companies and funds.

2. An association qualified for registration must be established by the enactment of a founding act.
3. Unless ratified by the association, acts committed in the period between the establishment and registration of an association may create obligations only for those persons who actually performed those acts. Only the association's highest managing body may ratify acts committed on behalf of the association prior to its registration.
4. Unless otherwise specifically provided in its statute, it shall be deemed that an association is established for an unlimited period of time.

#### **Article 10**

An association may be registered only if its inaugural assembly adopts a founding act and the statute, and appoints the managing bodies in accordance with this Law.

#### **Article 11**

1. The founding act of an association shall include:
  - a) Full names of the founders, their abbreviated names (if there are any), and the addresses;
  - b) The name, seat and the address of the association;
  - c) The goals and objectives of the association; and
  - d) The name of the person authorized to represent association in the process of applying for entry in the registrar of associations..

#### **Article 12**

1. The statute of an association shall include:
  - a) Full name of the association, its abbreviated name (if there is any), and its address;
  - b) The goals and objectives of the association;
  - c) The procedure for admission and dismissal of members;
  - d) The organs of the association, the method of their election, their competencies, their quorum and voting rules, the duration of their mandates, the person authorized to convene sessions of the assembly, the conditions and modalities of dissolution or cessation of operation;

- e) The rules for obtaining, use and disposal of assets of the association, as well as the body authorized to supervise the use of these assets;
- f) The publicity of operations;
- g) The procedure for amending the statute, competency and method of enactment of other general acts;
- h) A description of the shape of the seal and its contents;
- i) The representation of the association;
- j) The conditions and procedures for merger, separation, transformation or dissolution of the association, or the cessation of its operations, including any specific rules on quorum or qualified majority in the voting procedures;
- k) The procedure for disposition of remaining property and any other assets in the case of dissolution of the association or cessation of its operations.

### **Article 13**

1. A registered association may have the status of a public benefit association if its activity exceeds the interests of its members and if it is aimed primarily for the benefit of the public, or some segment thereof, in areas such as: healthcare; education; science; social care; civil society; human rights and minority rights; assistance to the poor and socially vulnerable; assistance to the disabled, children and elderly; environmental protection; tolerance; culture; amateur sports; religious freedoms; and assistance to the victims of natural disasters.
2. A registered association shall be deemed to act for charitable purposes if it is established with the primary purpose to help persons and groups in need of assistance.
3. Public benefit status is determined by the Ministry. The specific procedures for granting and revoking the status of the association of public interest will also be set out in a separate regulation of the Ministry.
4. Applications to receive the status of a registered public benefit association can be submitted at any time, in a manner prescribed by the regulations of the Ministry. Denial of such application is subject to review in accordance with law.
5. A registered public benefit association is entitled to receive tax breaks, custom exemptions and other benefits.

### **Article 14**

1. A registered association can only merge, separate or transform into another registered association or foundation.

2. A registered public benefit association can only merge, separate or transform into another registered public benefit association or public benefit foundation.

### **I.2.2. Membership**

#### **Article 15**

A registered association may set forth its own membership criteria, subject only to the prohibition of discrimination set out in the Constitution and laws of Bosnia and Herzegovina.

### **I.2.3. The Organs of an Association**

#### **Article 16**

In addition to a founding act and a statute, or their substantial equivalents, an association must have an assembly and it may also have a managing board.

#### **Article 17**

In the case of a foreign or international association, it is sufficient for the association to have documents and bodies, however named, that perform the functions defined by this law.

#### **Article 18**

The assembly, as the highest body of an association, shall be competent to perform the following acts:

- a) Enactment of the statute, its amendments, and other acts determined in the statute;
- b) Decision on the merger, separation, transformation, dissolution and cessation of operation of the association, as well as other changes in the status of the association;
- c) Appointment and removal of the members of managing board, if the association has such an organ;
- d) Adoption of the reports prepared by the managing board, if the association has such an organ;
- e) Decision on all other issues that are not within the competence of other organs of the association.

#### **Article 19**

1. If the association has a managing board, the managing board shall:

- a) Prepare the sessions of the assembly;
- b) Prepare the drafts of the statute and other acts to be enacted by the assembly;
- c) Implement the policies, conclusions and other decisions made by the assembly;
- d) Manage the property of the association;
- e) Submit annual or other periodic reports on its work to the assembly for approval;
- f) Perform other duties as determined in the Statute.

## **Article 20**

Members of the organs of an association may not vote on issues in which they, their spouses or those related to them either by blood or by marriage up to the third degree, appear as interested parties, in issues relating to the matter that is under the control of the member in question, or in issues where the member in question has an economic interest. In addition, members of the organs have an obligation to ensure that all financial transactions of the association are concluded at fair market value, or under conditions that are more favorable to the association.



## **I.3 FOUNDATIONS**

### **I.3.1 The Establishment of Foundations**

#### **Article 21**

1. A foundation shall be deemed to act for the public benefit if it is established with the primary purpose to advocate, provide services or promote programs for the advancement of health-care, education, science, social care, civil society, human rights and minority rights, assistance to the poor and socially vulnerable, assistance to the disabled, children and elderly, environmental protection, tolerance, culture, amateur sports, religious freedoms and assistance to the victims of natural disasters, or other similar objectives.
2. A registered foundation shall be deemed to act for charitable purposes if it is established with the primary purpose to help persons and groups in need of such assistance.
3. Public benefit status is determined by the Ministry. The specific procedures for granting and denying the status of the foundation as one for the public benefit will also be set out in a separate regulation of the Ministry.
4. Applications to receive the status of a registered public benefit foundation can be submitted at any time, in a manner prescribed by regulations of the Ministry. Denial of such an application is subject to review as hereinafter provided.
5. A registered public benefit foundation is entitled to receive tax breaks, custom exemptions and other benefits.
6. A registered public benefit foundation can only merge, separate or transform into another registered public benefit foundation.

#### **Article 22**

1. A foundation qualified for registration may be established by one or more physical or legal persons (hereinafter the “Founders”), but it may not be established by the state of Bosnia and Herzegovina, the entities, cantons, cities, municipalities, local communities, state organs, state companies or funds. The Founders need not be citizens or legal persons of Bosnia and Herzegovina.
2. A foundation may be established by unilateral declaration, by contract, will, legacy or other appropriate legal act.

3. A registered foundation must have an act of establishment, a statute, and a managing board, or their substantial equivalents. In the case of a foreign or international foundation, it is sufficient for the foundation to have documents and bodies, however named, that perform these functions as otherwise described in this law.

### **Article 23**

1. The act of establishment of a foundation shall include:
  - a) The names and addresses of the founders;
  - b) The name, abbreviated name (if there is one) and the address of the foundation;
  - c) The goals and objectives of the foundation;
  - d) A statement of the amounts and sources of the initial capital assets of the foundation, in a form prescribed by regulations of the Ministry; and
  - e) The name, surname and address of a person within Bosnia and Herzegovina who is an represents the foundation and is authorized to apply for registration of the foundation.

### **Article 24**

1. The statute of a registered foundation shall include:
  - a) The full name and, if such exists an abbreviated name and the seat of the foundation;
  - b) The goals and objectives of the foundation;
  - c) The organs of the foundation, the method of their election, their competencies, quorum and voting rules, the conditions and procedure of their dismissal;
  - d) The rules for management and use of the property of the foundation;
  - e) Procedures for amending the statute, as well as the authority and procedures for enactment of other general acts;
  - f) Conditions and procedures for the merger, separation, transformation or cessation of the operation of the foundation, including all rules for voting that needs special quorum or qualified majority votes;
  - g) Criteria for disposition the property of the foundation in the case of cessation of its operations;
  - h) The description of the form and the content of the foundation's seal.

### **I.3.2. The Organs of Foundation**

#### **Article 25**

1. The managing organ of a foundation is the managing board.
2. The Statute of a foundation may also provide for other organs of the foundation.

#### **Article 26**

1. The managing board of a foundation is responsible for implementation of the goals and objectives of the foundation, and it may also perform other tasks as determined by the statute and in accordance with law.
2. The managing board of a foundation shall have at least three members.
3. The members of the managing board of a registered foundation need not be citizens of Bosnia and Herzegovina.
4. The managing board of a foundation is competent for:
  - a) Enactment or recognition of the act of establishment, the statute, its amendments, and other acts determined in the statute;
  - b) Decision on merger, separation, transformation or cessation of operation of the foundation, as well as other changes in the status of the foundation;
  - c) Receipt, approval and filing of documents, information and any other reports or material required by this Law or in accordance with it; and,
  - d) Decision on all other issues that are not in the competence of other bodies of the foundation.

#### **Article 27**

Members of the organs of a foundation may not vote on issues in which they, their spouses or those related to them either by blood or by marriage up to the third degree, appear as an interested party, in issues relating to the matter that is under the control of the member in question, or in issues where the member in question has an economic interest. In addition, members of the organs have an obligation to ensure that all financial transactions of the foundation are concluded at fair market value, or under conditions that are more favorable for the foundation.

### **I.4. REGISTRATION OF ASSOCIATIONS AND FOUNDATIONS**

## **Article 28**

1. Registration of associations and foundations is voluntary, except as provided in Article 29 of this Law, but registration must be accomplished in order for an association or foundation to gain the capacity of a legal person of Bosnia and Herzegovina.
2. Registration, the filing of documents, and the cessation of operation of an association or foundation shall be done in accordance with this Law, other applicable laws of Bosnia and Herzegovina, regulations of the Ministry, and the Statute of the association or foundation.
3. Where those laws and regulations contain conflicting provisions, the Ministry shall interpret the laws and regulations in a way that:
  - a) Promotes the policy of transparency and public disclosure; and,
  - b) Reduces the administrative burden for organizations and individuals, to the extent that this can be done while promoting transparency and disclosure.
4. If the applicable laws are in conflict and cannot be reconciled, the provisions of this Law shall prevail.
5. The registration of an association is entered into the Registry Book of Associations. The registration of a foundation is entered into the Registry Book of Foundations. Both of these registry books shall be kept by the Ministry.
6. The registry books shall be kept in accordance with the provisions of this Law and regulations prescribed by the Ministry.
7. The registry books shall be open for public scrutiny. Inspection of any document or information filed in the registry books shall not be conditioned on the approval by the Ministry. No document or information filed pursuant to this law shall be designated as “confidential” or as a “business secret”.
8. Every individual, either in person, or by mail, may request a copy of any entry from the registry or any document from the application file of a registered association or foundation. Fees for such copies shall not exceed normal amounts. The copies must be issued within fifteen working days from the day the request has been submitted.

## **Article 29**

All associations or foundations referred to in the Article 1 of this Law which intend to obtain public benefit or charitable status from the Ministry, all associations or

foundations which perform public competences of Bosnia and Herzegovina, and all associations or foundations with any office or activity in Bosnia and Herzegovina and which receive grants or other disbursements from or through any governmental institution of Bosnia and Herzegovina in an aggregate amount exceeding 5,000 KM per year, shall:

- a) Register in accordance with the law; and,
- b) Annually file a report with the Ministry for filing in the Registry books, in form prescribed by regulations of the Ministry; provided, that the annual report must generally describe the activities of the association or foundation and those of any separate legal persons established pursuant to Article 4, and furthermore, that the annual report must also contain a balance sheet listing the income and expenditures of the association or foundation, as well as those of any separate legal persons established pursuant to Article 4 of this Law.

### **Article 30**

1. The name of an association or a foundation, if so envisaged by its statute, may be entered into the registry book in one or more foreign languages, provided that the name in the official languages of Bosnia and Herzegovina is entered first. Foreign associations or foundations may only use their registered names.
2. When two or more associations or foundations register essentially the same names or logos, the Ministry shall issue a decision directing the subsequently registered association or foundation to apply for amendment to its registration within thirty days to change its name or logo. If such an association or foundation fails to proceed according to the decision, the Ministry shall suspend or revoke the registration, dissolve the association or foundation, and impose any other sanction provided by this Law. The provisions of Article 34 shall apply to proceedings set forth in this Article.

### **Article 31**

1. An application for registration of an association or foundation shall include:
  - a) The founding act or act of establishment;
  - b) The Statute of the association or foundation;
  - c) A list of the founders and the members of managing organs;
  - d) The names and addresses of the persons authorized to represent the association or the foundation in Bosnia and Herzegovina;
  - e) The information required by Article 45 of this Law, if the registration is of a foreign association or foundation;

- f) The name or abbreviated name (if there is any) of the association or foundation;
  - g) An exemplar of the logo, if any, of the association or foundation;
  - h) The goals and objectives of the association or foundation;
2. The form and manner in which the application is to be submitted shall be established by regulations of the Ministry.

### **Article 32**

1. Upon receipt of an application for registration or amendment of registration, the Ministry shall issue a receipt to the founders of an association or foundation. The Ministry has the duty to issue a decision on registration within 30 days after an application has been submitted.
2. If the Ministry fails to issue a decision within 30 days after an application for registration or for amendment of registration has been submitted, such failure shall have the effect of denying the registration or amendment of registration.

### **Article 33**

Ministry's decision to allow registration of an association or foundation shall include:

- a) The date of the entry;
- b) The registry number of the entry;
- c) The full name and, if there is any, abbreviated name, and the address of the association or foundation;
- d) The logo of association or foundation, if there is any;
- e) Goals and objectives of the association or foundation; and
- f) The names and addresses of persons authorized to represent the association or foundation.

### **Article 34**

1. If, during the registration process, the Ministry establishes that the Statute of the association or foundation does not fulfill the requirements laid out in this Law, or that the application for registration is not complete, the Ministry shall notify the applicant to that effect and shall state the reasons for not effecting registration. If the applicant fails to remove these deficiencies within the prescribed period, the Ministry shall issue a decision rejecting the application for registration and shall state the reasons for rejection.
2. If the Ministry finds that the goals and objectives of the association or the foundation are contrary to the provisions of Article 3, paragraph 3 of this Law, or Article 5 of

this law, the Ministry shall issue a decision refusing the application for registration and shall state the reasons for refusal.

3. Proceedings under this Article shall be conducted according to rules and procedures established by regulations of the Ministry and other applicable laws.

### **Article 35**

1. A decision of the Ministry refusing, rejecting, suspending or revoking any registration or amendment thereto pursuant to this Law, or imposing any sanction pursuant to Article 53, or denying an application pursuant to Article 13, or automatically dissolving an association or foundation pursuant to Article 30, Paragraph 2 or Article 51, or imposing a distribution of assets pursuant to Article 52, shall, at the instance of the applicant, registrant, or person upon whom a sanction has been imposed, or any other party as provided in this Law, may be appealed against.
2. The appeal shall be lodged within 15 days of the receipt of the decision.

### **Article 36**

The appeal provided for in Article 35 of this Law may be lodged against:

- breach of procedural provisions,
- erroneous or incomplete assessment of facts,
- breach of substantive provisions of the law.

### **Article 37**

Appellate Commission (hereinafter: Commission) shall decide on appeals provided for in Article 35 of this Law. Commission shall be appointed by the Council of Ministers. Commission has three members and is of permanent character.

### **Article 38**

1. Appeals provided for by Article 35 of this Law are lodged to the Ministry.
2. Upon receiving the appeal, the Ministry shall examine the timeliness of the appeal and it shall examine whether it has been lodged by an authorized person.
3. If the Ministry establishes that the appeal has not been submitted within the time limits prescribed or that it has been lodged by an unauthorized person, it shall make a decision to reject the appeal.

### **Article 39**

1. If the Ministry does not reject the appeal on grounds set out by Article 38 (3) of this Law, it shall forward the appeal to the Commission together with the case materials.
2. When deciding on the appeal, the Commission may:
  - reject the appeal;
  - deny the appeal and affirm Ministry's decision,
  - quash Ministry's decision partially or in its entirety,
  - reverse the decision.

#### **Article 40**

1. The Commission shall reject the appeal if it the Ministry failed to do so pursuant to Article 38(3) of this Law.
2. The Commission shall deny the appeal if it determines that the procedure before the Ministry had no deficiencies and when the appeal is ungrounded.
3. The Commission shall quash the decision fully or partially when it establishes some of the irregularities listed in the Article 36 of this Law and will refer the case back to the Ministry for another deliberation.
4. The Commission shall reverse the decision if the facts of the case merit a decision different from the one brought by the Ministry.

#### **Article 41**

The Commission shall decide on the appeal within 30 days of receiving the appeal.

#### **Article 42**

Appeals against the decision of the Commission shall not be allowed, but the administrative appeal may be brought before the Court of Bosnia and Herzegovina.

#### **Article 43**

1. Registered associations and foundations have a duty to apply to the Ministry for amendment of registration whenever there is a change in any of the information specified in Article 33(1) under subsections c), d) and f) of this Law, within thirty days of the day the change has occurred.
2. The Ministry shall issue a decision on the application in accordance with Article 32(1) of this Law.

#### **Article 44**



Decisions allowing, rejecting, denying, suspending or revoking the registration of any association or foundation, and any decision dissolving any association or foundation shall be published in the Official Gazette of Bosnia and Herzegovina.

#### **Article 45**

1. Except as provided in this Article, registration rules and procedures set forth in this Law shall apply also to foreign and international associations, foundations and other non-profit organizations as well as their branch offices located or conducting activities in Bosnia and Herzegovina.

2. Foreign and international associations, foundations and other non-profit organizations, as well as their branch offices, which are registered pursuant to this Law, may operate throughout the territory of Bosnia and Herzegovina, as well as legal persons of Bosnia and Herzegovina.

3. At the time it applies for registration in the territory of Bosnia and Herzegovina, a foreign or international association or foundation, or other non-profit organization shall submit to the Ministry an application for registration containing the following:

- a) Proof that the organization has a status of a legal person in another jurisdiction;
- b) A statement describing the activities of the organization to be undertaken in Bosnia and Herzegovina;
- c) The name, address and telephone number of its home office and its main office in Bosnia and Herzegovina, if any;
- d) The name and title of the person in charge of the organization's main office in Bosnia and Herzegovina; however, if the organization does not have a main office in Bosnia and Herzegovina, then the name, address and title of the person responsible for the organization's operations in Bosnia and Herzegovina; and
- e) The name, address, title and telephone number of a person in Bosnia and Herzegovina who is authorized by the organization to be its legal representative in Bosnia and Herzegovina.

## **1.5 THE PROPERTY OF ASSOCIATIONS AND FOUNDATIONS**

### **Article 46**

1. The property of an association or foundation may include:
  - a) Membership fees for associations;
  - b) Voluntary contributions and gifts from public institutions, physical and legal persons, both domestic and foreign, in cash, services or property of any kind;
  - c) Subventions from and contracts with the state, public institutions, physical and legal persons, both domestic and foreign;
  - d) Revenue from interest, dividends, and profits generated from the capital, rents, fees and similar sources of passive revenue, and
  - e) Revenue acquired from the realization of the goals and objectives of an association or foundation, as defined by its Statute.

### **Article 47**

1. A registered association or foundation is obliged to keep its business records in accordance with generally accepted accounting principles and to prepare financial reports in compliance with this Law and other applicable laws.
2. A registered association or foundation may dispose of its property in compliance with its Statute and this Law.

### **Article 48**

Organs of a registered association or foundation have a duty to manage the property of an association or foundation in a responsible, diligent and lawful manner, and in the best interest of the association or foundation.

## **1.6 VOLUNTARY AND INVOLUNTARY DISSOLUTION OF ASSOCIATIONS AND FOUNDATIONS**

### **Article 49**

1. An association or foundation may dissolve voluntarily or, under conditions set out in this Law, may be dissolved involuntarily.

### **Article 50**

1. A registered association or foundation can dissolve voluntarily by decision of its competent body.
2. Unless otherwise provided by its Statute, a decision to dissolve voluntarily requires a qualified majority of two-thirds of the votes of association's members, or two-thirds of the votes of foundation's managing board.
3. In case of voluntary dissolution of a registered association or foundation, the association or foundation shall adopt a liquidation plan consistent with its Statute and this Law.

### **Article 51**

1. A registered association or foundation may be involuntarily dissolved by decision of the Ministry as hereinafter provided, if the association or foundation acts contrary to the provisions of this Law or if, without justified reason, it does not perform activities to implement its goals and objectives during a period of at least two full calendar years, or as a result of conditions described in the Article 50 of this Law.
2. Involuntary dissolution should be ordered only in cases of recurring or aggravated irregularities in operation, and may only be ordered after the association or foundation concerned has been notified of the matter and has been given an opportunity to be heard.
3. Sanctions and cessation of operation, and involuntary termination of an association or foundation shall be made by a request of the Ministry. Prior to a decision imposing sanctions, cessation of operation or involuntary termination, the Ministry shall give notice of the violations to the association or foundation. The notice shall describe the possible sanctions laid out in Article 53. The Ministry may allow the association or foundation to remedy the violation and/or may provide for sanctions as set out in this Law.

### **Article 52**

1. An association or foundation that does not have a public benefit status shall, upon dissolution and cessation of operation and after its debts are settled, distribute any remaining property and assets as determined in its Statute, or to another registered association or foundation which has been granted a public benefit status .
2. A registered association or foundation that has been granted the status a public benefit status shall, upon dissolution and after its debts are settled, distribute any remaining property and assets to another registered association or foundation of public benefit, whose aims and objectives are similar to those of the dissolving

organization. This rule shall also apply to any association or foundation which has received state funds, public donations, or tax or fiscal benefits under any laws.

3. In case of involuntary dissolution, the Ministry shall determine the distribution of any remaining assets, according to the principles of this Article.
4. Publication in the “Official Gazette of Bosnia and Herzegovina” of a decision of the Ministry on involuntary dissolution and distribution of assets shall constitute notice to all potential beneficiaries for purposes of seeking review of the Ministry’s decision.

## **PART II: PUNITIVE PROVISIONS**

### **Article 53**

1. The Ministry may impose a fine of at least 300 KM, but not exceeding 3,000 KM, against an association or foundation for:
  - a) Failing to register, if registration is required by this Law;
  - b) Failing to file an annual report, if filing is required by this Law;
  - c) Performing activity that substantially departs from the goals and objectives of the association or the foundation concerned;
  - d) Failing to use one of its registered names in legal transactions with the intention to deceive another legal or physical person, or a government organ;
  - e) Changing its founding act or its Statute without lodging a request to amend it (Article 43(1) of this Law);
  - f) Using its profit or assets contrary to its Statute or any applicable law, intentionally or with a gross negligence;
  - g) Providing any information to the Ministry in connection with any application for registration, amendment of registration, or dissolution pursuant to any provision of this Law, which is materially and intentionally false and misleading.
2. The Ministry may also impose a fine against a responsible representative of an association or foundation who is found to have committed any of the acts described in this Article, provided the responsible representative had previous knowledge of the acts causing the violation and acted with a wrongful intent. The fine shall be at least 100 KM but shall not exceed 1,000 KM.
3. Penalties provided in this Article may be imposed only after the responsible person has been notified about the proceedings and its basis, and has been given an opportunity to be heard. Proceedings pursuant to this Article shall be conducted according to regulations prescribed by the Ministry.



### **PART III: TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 54**

1. Associations and foundations, registered prior to enactment of this Law which want to register under this Law, have a duty to harmonize their acts with the provisions of this Law and, within six months from the day of entry of this Law into force, submit harmonized acts on the registration of the association or foundation to the Ministry.
2. Associations and foundations that register according to the provisions of the previous paragraph are exempt from paying administrative fees.

#### **Article 55**

1. Any association or foundation required to register under this Law which have commenced but has not completed a procedure for registration under before any other governmental authority in Bosnia and Herzegovina until the date on which this Law enters into force, shall be allowed to withdraw from the procedure previously commenced, and proceed instead with the registration in accordance with the provisions of this Law.
2. Associations and foundations referred to in the previous paragraph shall be allowed to recover any fees already paid during registration proceedings before other governmental authorities.

#### **Article 56**

1. Ministry shall enact all regulations required by this Law within sixty days of the date upon which this Law comes into force.
2. All regulations of the Ministry enacts pursuant to the provisions of this Law, and any amendments thereto, shall be published in the Official Gazette of Bosnia and Herzegovina.

#### **Article 57**

This Law shall enter into force on the eighth day following its publication in the “Official Gazette of Bosnia and Herzegovina”.

