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**1) Law 10,406, of January 10<sup>th</sup>, 2002 – Civil Code**

Art. 44. Are private law legal entities:

I - associations;

II - companies;

III - foundations.

IV - religious organizations; (Included by Law 10,825, of December 22<sup>nd</sup>, 2003)

V - political parties. (Included by Law 10,825, of December 22<sup>nd</sup>, 2003)

§1 The creation, organization, internal structuring and operation of religious organizations are free, being forbidden to the government deny their recognition or registry the constitutive acts necessary for their operation. (Included by Law 10,825, of December 22<sup>nd</sup>, 2003)

§2 The provisions regarding associations apply in a subsidiary manner to the companies subject to Book II of the Special Part of this Code. (Included by Law 10,825, of December 22<sup>nd</sup>, 2003)

§3 The political parties will be organized and operate as provided by specific law. (Included by Law 10,825, of December, 22<sup>nd</sup>, 2003)

Art. 45. The existence of private law legal entities begin with the transcription of the constitutive act on the respective registry, preceded by authorization or approval of the Executive Branch, whenever necessary, being registered in the public registry all the modifications on the constitutive act.

Sole Paragraph. The right to cancel the creation of private law legal entities due to failure on the constitutive act decays in three years, counted as of the publication of its transcription on the public registry.

Art. 46. The record will declare:

I - the denomination, purposes, headquarters, duration and social patrimony, if any;

II - the name and individualization of founders or institutors and directors;

III - the way by which it is managed and represented, actively and passively, judicially and extra-judicially;

IV - if the constitutive act can be reformed in terms of administration and how;

V - if members are liable or not, in a subsidiary manner, for the social obligations;

VI - the conditions for terminating the legal entity and the destination of its property in this case.

Art. 47. The acts performed by managers within the limits of their powers defined in the constitutive act bound the legal entity.

Art. 48. If the legal entity has a plural administration, decisions shall be taken by the votes of the majority of those present, unless otherwise provided in the constitutive act.

Sole Paragraph. Decays in three years the right to cancel the decisions herein referred when they violate the law or bylaws or if tainted by error, willful misconduct, simulation or fraud.

Art. 49. If the legal entity administration is lacking, the judge, upon request of any interested person, shall nominate a provisional administrator.

Art. 50 In case of legal personality abuse, characterized by a deviation of purpose or confusion of patrimony, the judge may decide, as required by a party or by the Public Ministry barring the duty to intervene in the proceedings, that the effects of certain and determined relations of obligations shall be extended to the private property of directors or partners of the legal entity.

Art. 51. In cases of dissolution of legal entity or if revoked its operation permit, it [the legal entity] will subsists for liquidation purposes until it is concluded.

§1 The dissolution will be filed before the official registry in which the legal entity is registered.

§2 The provisions for the liquidation of companies shall apply, as appropriate, to other private law legal entities.

§3 Once concluded the liquidation, the cancellation of the legal entity registration shall be performed.

Art. 52 The protection of personal rights applies to legal entities where applicable.

## CHAPTER II - ASSOCIATIONS

Art. 53. Associations are created through the union of persons organized for non-profit purposes.

Sole Paragraph. There are no reciprocal rights and obligations among the associates.

Article 54. Under penalty of nullity, the association bylaws shall set forth:

I - name, purposes and headquarters of the association;

II - requirements for admission, dismissal and exclusion of members;

III - rights and duties of members;

IV – funding sources for its maintenance;

V – the way governing bodies are constituted and operate; (text included by Law 11,127/05)

VI - conditions for the modification of statutory provision and for dissolution;

VII – the manner how to handle administrative management and accounting approval (text included by Law 11,127/05)

Art. 55. Members must hold equal rights, but the statute may establish categories with special advantages.

Art. 56. The quality of member is not transmissible, if not provided otherwise in the statute.

Sole Paragraph. If the associate holds a quota or ideal fraction of the association's assets, the transference of that quota or ideal fraction will not imply, *de per se*, the attribution of the quality of member to the purchaser or his heirs, unless otherwise provided in the statute.

Article 57. The associate exclusion is only admissible in case of just cause, recognized within a procedure that ensures the right to defense and appeal, pursuant to the statute. (text included by Law 11,127/05)

Art. 58. Any associate may be prevented from exercising a right or function that has legally being entitled to, except for the cases and way provided in the law or in the statute.

Art. 59. The General Assembly has the exclusive power to: (text included by Law 11,127/05)

I - dismiss the administrators; (text included by Law 11,127/05)

II - amend the statute. (text included by Law 11,127/05)

Sole Paragraph. For the deliberations referred to in items I and II of this article it is required deliberation of an assembly convened specifically for that purpose, whose quorum shall be that specified in the statute, as well as the criteria for the election of directors. (text included by Law 11,12/05)

Art. 60. The governing bodies convocation shall be done as provided in the statute, being guaranteed to 1/5 (one fifth) of the associates the right to promote it. (text included by Law 11,12/05)

Art. 61. Being the association dissolved, the remaining part of its net assets after the deduction of quotas or ideal fractions mentioned in the sole paragraph of art. 56, , if applicable, will be destined to a nonprofit organization nominated in the statute or, in case of omission, by resolution of the associates, to a municipal, state or federal institution with the same or similar purposes.

§1 Through a statute clause or, in case of silence, by resolution of the associates, they can, before the allocation of the remaining assets mentioned in this article, receive in restitution the contributions they have provided to the association's patrimony with its value updated.

§2 In case there is not in the City, State, Federal District or in the Territory in which the association has its headquarters, an institution under the conditions indicated in this article, what remains of its assets shall be returned to the State Treasury, the Federal District or the Union Treasury.

### CHAPTER III - THE FOUNDATIONS

Art. 62. To create a foundation its institutor will make, by deed or will, a special allocation of free goods, specifying its purpose, and declaring, whether wanting, the way to manage it.  
Sole Paragraph. The foundation can only be constituted for religious, moral, cultural purposes or for assistance.

Art. 63 When insufficient to create the foundation, the allocated goods shall be, if not provided otherwise by the institutor, incorporated into another foundation aiming equal or similar purposes.

Art. 64. Once the foundation is created by an inter vivos transaction, the founder is obliged to transfer its ownership or other property right over the allocated assets, and if not doing it, they will be registered under the foundation's name by judicial mandate.

Art. 65. Those to whom the founder commits the application of assets, as acknowledging their duty, shall formulate, according to their bases (art. 62), the statute of the planned foundation, submitting it afterwards to the competent authority for approval, with appeal to the judge.

Sole Paragraph. If the statute is not elaborated within the term signed by the founder, or if no term is assigned, within 180 days this responsibility will be up to the Public Ministry.

Art. 66 The State Public Ministry will watch over the foundations therein located.

§1 If they function at the Federal District or in a Territory, this duty will be in charge of the Federal Public Ministry. (see ADIN n<sup>o</sup>. 2794-8)

§2 If they extend their activities to more than one state, the duty in each state will be in charge of the respective Public Ministry.

Art. 67. In order to change the foundation's statute it is necessary that the reform:

I - is decided by two thirds of those having legal competence to manage and represent the foundation;

II – does not oppose or detract its purpose;

III - be approved by the Public Ministry body and, if denied, be supplied by the judge as requested by the interested party.

Art. 68. When the modification has not been approved by unanimous vote, the foundation administrators, when submitting the statute to the Public Ministry, shall request that acknowledgement is given to the unsuccessful minority to oppose it in ten days, if wanted.

Art. 69. Becoming illegal, impossible or useless the foundation's purpose or expired its existence term, the Public Ministry or any interested party will promote its extinction, being its assets incorporated to another foundation nominated by the judge with equal or similar purpose, unless otherwise provided in the constitutive act or statute.