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## DENMARK

### A. Associations (*Forening*)

#### I. Regulation

The legal rules governing associations are contained in the Constitution, statute law, regulations, case law and other sources. They apply generally (ie to political parties and trade unions as well). However, there are special laws for specific types of association.

#### II. Definition

1. There is no statutory definition of associations.
2. Associations may pursue any lawful object provided they do not resort to violence.
3. Different types of associations are governed by different laws.

#### III. Setting up of associations

1. No restriction exists as to who may create an association.
2. A founding document or statutes are not required for setting up an association.
3. Associations are not required to seek authorisation.
4. Associations engaging in business must register with the tax authorities.
5. Anyone may ask the tax authorities for a copy of an association's statutes or information on the members of the association's managing organs.

#### IV. Organisation and functioning

1. An association has the same legal capacity as other legal persons.
2. Associations may engage in business.
3. There are no legal provisions on this subject. Generally, the association's supreme organ is the general meeting.

#### V. Dissolution and liquidation

An association may be dissolved in the event of insolvency or if it uses violence.

#### VI. Tax arrangements

The income of an association which is not engaged in business is not taxable unless it is derived from ancillary business activity. There is tax relief for donors.

#### VII. Estimate of the number of associations

Approximately 1500 associations are entered in the register of associations not engaged in business.

## **B. Foundations (*Fond*)**

### *I. Regulation*

The legal rules governing foundations derive from various legal sources but not the Constitution.

### *II. Definition*

1. There is no statutory definition.
2. A foundation may not have unlawful purposes inciting violence or contrary to common morality.
3. Foundations, which are independent entities, may be divided into two categories: those which may not engage in business ("*lov om fonde og visse foreninger*") and those which engage in business ("*lov om erhversdrivende fonde*").

### *III. Setting up of foundations*

1. There are no restrictions as to the persons who may set up a foundation.
- 2/3 a. A non-business foundation is required to have statutes, which must be sent to the tax authorities within three months after it is founded. This is not however a prerequisite for legal personality.  
b. Non-business foundations must have a minimum capital of 250 000 kr; business foundations, 300 000 kr.
4. Business foundations are not legal persons until they are registered in a special register ("*Erhvervs- og Selskabsstyrelsen*").
5. Anyone may ask the tax authorities for a copy of the foundation's statutes or information on the members of its managing organs.

### *IV. Organisation and functioning*

1. The legal capacity of foundations is the same as that of other legal persons.
2. If its statutes allow, a foundation may engage in business.
3. Foundations are directed by a board, which may appoint one or more managing directors for everyday management. The board's responsibilities are governed by the foundation's statutes.
4. The management of the foundation is supervised either by the Ministry of Justice or the Ministry of Trade.
5. Danish law, with the exception of tax provisions, does not distinguish between foundations implementing their own programmes and those financing the programmes of other bodies.

V. *Dissolution and liquidation*

A foundation may not be dissolved without the consent of the foundation authority and the Ministry of Justice. One of the main reasons for dissolution is that the purpose of the foundation can no longer be achieved.

VI. *Tax arrangements*

Special tax provisions apply to foundations.

VII. *Estimate of the number of foundations*

There are approximately 10 000 foundations

