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LAW ON FOUNDATIONS

ANNOUNCEMENT OF THE MINISTRY OF JUSTICE

May 17, 1991

concerning the publication of the uniform text of the law on foundations of April 6, 1984.

1. According to article 5 of the act of February 23, 1991 on the change in the law on foundations (Law Journal No. 19 entry 82) we proclaim as an annex to the said announcement the uniform text of the law on foundations of April 6, 1984 (Law Journal No. 21, entry 97) including variations introduced by the act of February 23, 1991 on the change of the law on foundations (Law Journal No. 19, entry 82) and following the regulations released prior to the day of announcement of the uniform text and retaining the subsequent numbering of articles, passages and clauses.

2. The uniform text published in the annex to the said announcement does not comprise: 1) article 23, 25 and 26 from the act of April 6, 1984 on foundations (Law Journal No. 21, entry 97) which say:

"Article 23 1. Foundations operating on the principles previously established are bound to submit to the court their registers, applications for entering the register of foundations within the period of 12 months from the date of implementation of this law; they should also notify the appropriate minister.

2. In case this duty described in clause 1 is not observed the provisions of article 17 shall be applied accordingly."

"Article 25. The decree of February 7, 1991 on foundations, donations and legacies (Law Journal No. 15, entry 215 of 1928. No. 38, entry 372 of 1947. No. 66, entry 400 of 1952. No. 25, entry 172 of 1957. No. 1, entry 3 of 1964. No. 16, entry 94) has expired."

"Article 26. The law enters into life upon its announcement."

2) *Articles 2-4 and 6 from the law of February 23, 1991 on the change of the law on foundations (Law Journal No. 19, entry 62) which say:*

"Article 2. Legal proceedings concerning registration of the foundation and its statute in progress on the day of implementation of the law are discontinued."

"Article 3. Local Court of Warsaw - Praga shall pass on the register of foundations run on the day of implementation of the law to the local Court of Capital City Warsaw."

"Article 4. Corresponding ministers shall deliver the deeds of foundations operating upon the day of implementation of the law within the territory of one voivodship to the corresponding voivodes who shall carry out all duties imposed by the act."

"Article 6. The law enters into force upon its announcement."

LAW ON FOUNDATIONS

April 6, 1984

Article 1. A foundation may be set up to realize economically and socially beneficial objectives subject to the essential interest of the Republic of Poland, such as: health care, development in economy and science, education, culture and fine arts, welfare, environmental protection and protection of historical monuments.

Article 2. Foundations may be established by persons independent of their citizenship and place of permanent abode, and by corporate bodies based in Poland or abroad.

Article 3. 1. The statement of will to set up a foundation should be placed in the form of an authenticated deed. This procedure is not requested if the establishment of a foundation is done in the last will.

2. In the statement of will the founder should specify the purpose of the foundation and the property constituents devoted to this goal.

3. Property constituents mentioned in clause 2 are understood as money, valuable papers, as well as movable and real estate property.

Article 4. The foundation operates within the framework of regulations of the said law and the statute.

Article 5. 1. The founder decides about the statute which determines the name, premises and property of the foundation, goals, rules, forms and scope for its activities as well as the composition and structure of the management, its recruitment, responsibilities and rights of the board members. The statute may provide for other regulations, especially these relating to the foundation's economic activities, feasibility conditions for its merger with another organization, the change of statute or objective. The statute may as well provide for the constitution of other bodies within the foundation, next to its board.

2. The founder may pick up a minister suitable for the purpose of the foundation. The founder's statement on that issue should be enclosed with the statute and delivered to the court which runs the register of foundations.

3. The foundation which operates within one voivodship should have premises on the territory of the voivodship covered by its activities.

4. If the statute defines the appropriation of the foundation's property after it has been liquidated, the resources ought to be used according to the purposes stated in article 1.

5. The foundation is licensed to carry on economic activities within the scope necessary to achieve its aims. If the foundation runs any economic activity, the value of resources engaged in that activity cannot be lower than 10 m PZL.

6. The Council of Ministers may, by decree, determine reductions and exemptions when a

foundation uses part of its economic profits to account for statute aims. The reductions and exemptions are then different than those specified by other laws.

Article 6. 1. The founder is permitted to resign from creating a statute on his own, he may appoint another person or corporate body to do so.

2. Regulations concerning the creation of the statute by the founder, following the provisions of clause I should be used in that procedure.

3. If the founder established a foundation in his last will and did not define its statute, neither authorized anyone to do so, adequate regulations of Volume IV of the Civil Code on recommendations ought to be applied.

Article 7. 1. A foundation acquires the legal status as soon as it is put on the register of foundations.

10 2. The register of foundations is run by the Local Court for the Capital City Warsaw, further called "the court".

3. The register is not confidential and open to the third parties.

4. The Ministry of Justice, by decree, determines ways of dealing with the register of foundations, data suitable for record, and its form as well as sets detailed rules for inspection.

Article 8. 1. There are no notarial charges collected for issuing an act which is a pure statement of intention to set up a foundation.

2. Proceedings concerning the register of foundations are exempted from any court charges.

Article 9. 1. The court puts the foundation on the register after it has found out that legal actions constituting a basis for registration have been undertaken by an authorized person or corporate body and that they are legally binding. The court also discovers whether the purpose and statute of the foundation are legal.

2. The court notifies about the registration the appropriate, as for his field of responsibility, minister, called further "the appropriate minister". If the territory of activity is one voivodship, the court informs as well the appropriate, as for the foundation's premises location voivode, called later "the appropriate voivode" and it delivers the statute to him.

3. If the aims of the foundation are related to activities and responsibilities of two or more ministers, the court shall notify the minister with whose field of operation the crucial goals of the foundation are in correspondence, and send him a statute.

Article 10. The management of the foundation governs its activities and represents it outside the organization.

Article 11. 1. Taking up an economic activity not provided for in the statute requires a prior change in the statute.

after the liquidation, the court shall decide about that taking into consideration the purpose of the foundation.

Article 16. Acquiring by the foundation by means of legacy or donation of money, other movables or property rights is exempted from the tax on donations and legacies.

Article 17. Any property controversion, in which the foundation is one of the parties shall be investigated by the court.

Article 18. Any time the appropriate minister is mentioned in the act it pertains as well to the director on the appropriate central office.

Article 19. 1. Foreign foundations which have their headquarters abroad may establish their representative offices on the territory of the Republic of Poland.

2. Setting up a representative office requires a license which at the same time constitutes a permission for activities mentioned in the license. The license is issued by the appropriate, as for the field of operation and foundation's purpose, minister.

3. The license may be granted if the representative office serves the purpose defined in article is if the representative office is to run economic activities the provision of article 5, clause 5, first sentence shall be applied.

4. The representative office has to observe legal regulations binding on the territory of the Republic of Poland.

5. The appropriate, as for the field of operation and the foundation's purpose, minister may withdraw the license if the representative office does not keep the conditions of the license or if it seriously breaches the law existing in the Republic of Poland or the interest of state.

6. If the representative office or its mother-foundation puts the security of the country or any other important interest to risk, the appropriate minister may suspend the license. Such suspension causes, till the decision on the lifting of license is made, an immediate abandoning of the activity provided for in the permission with no compensation for it.

7. The economic activity of representative offices is determined by separate regulations on carrying economic activities by the representatives of foreign subjects in the Republic of Poland.

Article 20. The provisions of this law do not breach regulations of the private international law.