Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

23 September 2004 [shall come into force on 21 October 2004];

2 November 2006 [shall come into force on 23 November 2006];

21 January 2010 [shall come into force on 24 February 2010];

21 October 2010 [shall come into force on 24 November 2010];

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15 December 2011 [shall come into force on 1 January 2012];

12 September 2013 [shall come into force on 1 January 2014];

3 October 2013 [shall come into force on 2 January 2014];

6 November 2013 [shall come into force on 1 January 2014];

23 January 2014 [shall come into force on 17 February 2014];

12 November 2015 [shall come into force on 1 January 2016];

23 March 2017 [shall come into force on 1 May 2017];

22 June 2017 [shall come into force on 1 July 2017];

2 November 2017 [shall come into force on 6 December 2017];

22 February 2024 [shall come into force on 20 March 2024].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1has adopted

the President has proclaimed the following law:

**Associations and Foundations Law**

**Division A**

**General Provisions**

**Chapter I**

**Basic Provisions**

**Section 1. Purpose of the Law**

(1) The purpose of this Law is to promote the activities of associations and foundations and the long-term development thereof, as well as to facilitate the strengthening of a democratic and civil society.

(2) This Law regulates the guiding principles for the activity, organisational structure, liquidation and re-organisation of associations and foundations.

**Section 2. Concept of Associations and Foundations**

(1) An association is a voluntary union of persons founded to achieve the goal specified in the articles of association which shall not have a profit-making nature.

(2) A foundation, also a fund, is an aggregate of property that has been set aside for the achievement of a goal specified by the founder which shall not have a profit-making nature.

**Section 3. Legal Status of an Association and a Foundation**

An association and a foundation obtain the status of a legal person at the moment when it is entered into the Register of Associations and Foundations.

**Section 4. Delimitation of Liability of an Association and a Foundation**

(1) An association and a foundation are liable to the extent of all its own property.

(2) An association is not liable for the obligations of a member. A member is not liable for the obligations of an association.

(3) A foundation is not liable for the obligations of a founder. A founder is not liable for the obligations of a foundation.

**Section 5. Legal Address of an Association and a Foundation**

(1) The legal address of an association and of a foundation is the address which has been entered into the Register of Associations and Foundations. The change of the legal address shall be notified to the Register authority of associations and foundations.

(2) If information, documents or other correspondence is sent to an association or to a foundation to the address registered in the Register of Associations and Foundations, it shall be considered that the association or foundation has received these documents, information or other correspondence on the seventh day, if the sender has proven that such dispatch has been performed.

**Section 6. Name and Symbols of an Association and a Foundation**

(1) The name and symbols of an association and a foundation shall not be contrary to laws and regulations and good morals, for example, they shall not contain the name of a military body or the name of such organisation or group that has been recognised as criminal or anti-constitutional, the name and symbols shall not create a positive attitude towards violence.

(2) The name of a foundation shall contain the word “nodibinājums” [foundation] or “fonds” [fund].

(3) The name shall differ clearly and distinctly from other names of associations and foundations already entered or applied for entering in the Register of Associations and Foundations or in other registers of the Register authority.

(4) Only the letters of the Latvian or Latin alphabet shall be used in the name of associations and foundations.

(5) Misleading information regarding the purpose of activities, type of activities and legal form shall not be included in a name.

(6) The name of an association or a foundation shall not coincide with the names of State or local government authorities (institutions), as well as contain misleading information that the association or foundation is endowed with a public power.

(7) An association or a foundation, the rights of which have been infringed through illegal use of the name or symbols thereof, may demand from the infringer to cease using the name or symbols, as well as to reimburse the losses incurred to the association or foundation through illegal use of the name or symbols thereof.

[*23 September 2004; 21 January 2010; 21 October 2010* / *Amendments to Paragraph three shall come into force on 1 December 2010. See Paragraph 3 of the Transitional Provisions*]

**Section 7. Rights of an Association and a Foundation to Perform Economic Activity**

(1) An association and a foundation have the right to perform economic activity in the form of complementary activity which pertains to the maintenance and utilisation of its own property as well as to perform other economic activity to achieve the goals of the association or foundation.

(2) The income of an association or of a foundation may be utilised only for the achievement of the goal specified in the articles of association. Profit obtained from economic activity of an association or a foundation may not be divided among the members of an association or the founders of a foundation.

**Section 8. Organisation of Voluntary Work**

Associations and foundations shall organise voluntary work in accordance with the Law on Voluntary Work.

[*12 November 2015*]

**Section 9. Remuneration for Activity in an Association or a Foundation**

If a person receives remuneration (consideration) for activity in an association or a foundation this remuneration (consideration) shall be determined in accordance with the scope of the duties of the relevant person and the financial situation of the association or foundation.

**Section 10. Public Activities**

(1) An association and a foundation, in order to achieve the goals laid down in the articles of association, have the right to perform activities which are not in contradiction with law, especially to distribute freely information regarding its own activities, to establish its own publications and other mass media, to organise meetings, street processions and pickets, as well as to perform other public activities.

(11) An association and a foundation are prohibited in their activity from taking action against independence and territorial integrity of the Republic of Latvia, from expressing or disseminating proposals on the violent amendment of the State structure of Latvia, from encouraging not to obey the laws if non-compliance with them endangers State security, public safety or order, from propagating violence or terrorism, outright Nazism, fascism or communism ideology, from popularising war, from carrying out acts directed towards triggering national, ethnic, racial, religious hatred or enmity, from praising or encouraging the committing of criminal offences.

(2) An association and a foundation may apply to State and local government authorities in matters related to the goals of the activities of the relevant association or foundation, as well as to maintain the rights of its members or interests protected by law in a court.

(3) An association and a foundation the articles of association of which have specified goals towards the protection of human rights or individual rights have the right, with the consent of the injured natural person, to turn to institutions or to a court and defend the rights or lawful interests of such persons in the matters which are related to the violations of the prohibition of unequal treatment or with employment of such persons who are not entitled to stay in the Republic of Latvia.

(4) Applying to an institution or a court by an association or a foundation in defending the rights or lawful interests of persons who are not entitled to stay in the Republic of Latvia shall not be considered as support for ensuring with possibility to stay illegally in the Republic of Latvia.

[*2 November 2006; 16 June 2011; 2 November 2017*]

**Section 10.1Imposition of Additional Obligations**

(1) If there is reason to believe that the action of an association or foundation with financial resources or other material benefits is directed towards infringement of any of the prohibitions referred to in Section 10, Paragraph 1.1 of this Law, the State Revenue Service shall, on the basis of the reasoned opinion of the State security institution, take the decision to impose the following additional obligations on the association or foundation for one year from the day of notification of the decision:

1) to submit the balance sheets, statements on income and expenditure, statements on donations and gifts, detailed information on used donations and gifts four times per year in conformity with the laws and regulations governing the drawing up of annual statements;

2) to submit the documents attesting to the transactions entered into;

3) to present the sources of financing.

(2) The decision on the imposition of additional obligations may be appealed in accordance with the procedures laid down in the Administrative Procedure Law. The appeal of the decision shall not suspend the operation thereof.

[*2 November 2017*]

**Section 11. Prohibition against Establishing Armed or Militarised Units**

An association and a foundation are prohibited from arming the members thereof or other persons, to organise military training for them and to establish militarised units.

**Section 12. Laws Regulating the Activities of Other Non-profit Associations of Persons and Foundations**

The activity of political parties, religious organisations, professional organisations and those associations which are autonomous entities of public law, as well as public foundations (funds) shall be regulated by other laws.

[*12 November 2015*]

**Section 12.1 Classification of Associations and Foundations**

(1) Associations and foundations shall be classified according to their field of activity.

(2) The Cabinet shall determine the following in respect of associations and foundations:

1) the classification according to their field of activity;

2) the procedures for registering and changing the field of activity.

[*22 February 2024* / *Section shall come into force from 1 July 2024. See Paragraph 11 of Transitional Provisions*]

**Chapter II**

**Register of Associations and Foundations**

**Section 13. Keeping of the Register of Associations and Foundations**

(1) Information regarding associations and foundations shall be entered into the Register of Associations and Foundations (hereinafter also – the Register).

(2) The Register shall be kept by the State institution authorised therefor by law (hereinafter – the Register authority).

(3) [22 February 2024 / See Paragraph 11 of Transitional Provisions]

[*3 October 2013; 22 February 2024*]

**Section 14. Openness of the Register**

(1) Everyone has the right to familiarise themselves with the entries in the Register and the documents submitted to the Register authority.

(2) Everyone has the right to receive for fee a statement of the entries in the Register, as well as an extract or copy of the document present in the Register file, upon submission of a relevant request in writing. The accuracy of the extract or copy shall be attested by the signature and stamp of an official of the Register authority, indicating the date of the issue thereof, upon a request of the recipient.

(3) An official of the Register authority shall issue a statement upon the request of a recipient that a certain entry of the Register has not been amended or that a certain entry has not been made in the Register.

[*21 January 2010; 6 November 2013*]

**Section 15. Information to be Entered in the Register**

The following information shall be entered in the Register:

1) the name of the association or foundation;

2) the legal address of the association or foundation;

3) the objectives of the association or foundation and also the field of activity according to the classification determined by the Cabinet;

4) the date when the decision on founding was taken;

5) given name, surname, personal identity number (if none – date of birth, the number and date of issue of a personal identification document, the state and authority that has issued the document) of the members of the executive board, indicating whether they have the right to represent the association or foundation individually or collectively;

6) the term of duration of an association or foundation if the association or foundation has been established on a temporary basis;

7) information regarding the prohibition of the public activity or other activity of the association or foundation, the termination, continuation of activities, the announcement and termination of insolvency proceedings, the liquidation or reorganisation of an association or foundation;

8) information regarding the appointment of a liquidator, indicating his or her given name, surname and personal identity number (if none – date of birth, the number and date of issue of a personal identification document, the state and authority that has issued the document), and the right to represent the association or foundation collectively or individually;

9) information regarding the appointment of an administrator in an insolvency proceedings case, indicating the given name, surname, personal identity number (if none – date of birth, the number and date of issue of a personal identification document, the state and authority that has issued the document) and certificate number of the administrator;

10) date of the making of the entry;

11) other information if it is directly provided for by law.

[*21 January 2010; 21 October 2010; 3 October 2013; 22 February 2024 / Amendment to Clause 3 regarding the deletion of the words “if the association or foundation applies the field of activity for entering or entering thereof is provided for in the law” shall come into force on 1 July 2024. See Paragraph 11 of Transitional Provisions*]

**Section 16. Documents to be Submitted to the Register Authority and Storage Thereof**

(1) Documents justifying the making of an entry in the Register and any amendments thereto (Section 15), as well as other documents specified in the Law (Section 95, Paragraph four) shall be submitted to the Register authority. The original of the document or a duly attested copy thereof shall be submitted to the Register authority. Public documents issued in foreign states shall be validated in accordance with the procedures provided for in international agreements and they shall be accompanied by a notarised translation into Latvian.

(2) An association shall provide information in writing regarding the number of members thereof upon the request of the Register authority.

(3) The documents submitted to a Register authority shall be stored in a registration file of the relevant association or foundation if an entry has been made on the basis thereof.

(4) [23 March 2017]

[*21 January 2010; 23 March 2017*]

**Section 17. Making of an Entry in the Register**

(1) An entry in the Register shall be made on the basis of an application or the court ruling.

(2) An application for the entering of an association or foundation in the Register shall be signed by all founders or at least by two persons authorised at the founding meeting, but in respect of a testamentary foundation – the executor of the will, heir or a trustee.

(21) An application shall be submitted for making the entry in the Register in which the data in conformity with the essence of the application shall be indicated:

1) in the application on entering of changes – data on the essence of changes and the new data which are applied in respect of the association or foundation for entering in the Register;

2) in the application on reorganisation – the type of reorganisation (if the association or foundation is reorganised through division, the type of division shall be indicated), the name and registration number of each subject governed by law involved in the reorganisation, by indicating in conformity with the type of reorganisation whether the subject governed by law is to be merged, divided or acquiring;

3) in the application on termination of activity – the essence of the applied entry;

4) in the application on continuation of activity – the essence of the applied entry and the data referred to in Section 15, Clause 5 of this Law;

5) in the application on termination of liquidation and exclusion of the association or foundation from the Register – the essence of the applied entry.

(3) Officials of the Register authority shall take the decision on making an entry, a refusal to make an entry or the postponing of the making of an entry in the Register within seven days of the receipt of an application. A Register authority official shall take a decision within the same time limit on making of an entry in the Register on the basis of the court ruling.

(4) A Register authority official shall take the decision on postponing of the making of an entry if:

1) the requirements of this Law or other laws have not been observed in the drawing up of the articles of association or the selecting of a name;

2) all of the documents specified in the Law have not been submitted.

(5) An official of the Register authority shall take the decision on refusal to make an entry if:

1) the goal laid down in the articles of association is in contradiction with the Constitution, laws or international agreements binding on Latvia;

2) the procedures for the founding of an association or a foundation specified in this Law have been violated;

3) after the adoption of the decision on postponing of the making of the entry the deficiencies in the articles of association or the name of the association or the foundation have not been rectified.

(6) The decision on refusal to make an entry in the Register or the postponing of the making of an entry must be motivated. A time limit for the rectification of deficiencies shall be indicated in the decision on postponing of the making of an entry.

(7) An official of the Register authority shall send the decision referred to in this Section, Paragraph three to the applicant within three days of the taking of the decision.

(8) An applicant has the right to dispute and appeal the decision of an official of the Register authority in accordance with the procedures specified in laws and regulations.

(9) An entry in the Register shall be made on the same day when the decision on making of the entry is taken.

[*21 January 2010; 23 March 2017*]

**Section 18. Registration Certificate**

[22 February 2024]

**Section 19. Exclusion of an Association or a Foundation from the Register**

An association or a foundation shall be excluded from the Register on the basis of:

1) an application by the liquidator of an association or foundation;

2) an application by the administrator of an insolvent association or foundation;

3) an application by the association or foundation for the making of a reorganisation entry;

4) a court ruling;

5) a decision by the Register authority.

[*22 February 2024* / *Clause 5 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 20. State Duty and Charge for a Service**

(1) The amount of the State duty to be paid for the making of an entry in the Register shall be determined by the Cabinet.

(2) The duty for an extract from the Register and an extract or a copy of a document in the Register file, as well as for the issue of a statement shall be paid in the amount laid down in laws and regulations.

(3) The State duty for making the entry in the Register may not exceed the administrative expenses which are related to taking the decision to register and making the relevant entry.

[*6 November 2013*]

**Section 21. Term for Submission of Information**

Information on the basis of which new entries shall be made in the Register, as well as the documents specified in the Law shall be submitted to the Register authority within 14 days after taking of the relevant decision if it is not otherwise provided for in this Law.

**Section 22. Liability for the Provision of False Information to the Register Authority**

The relevant persons shall be held liable, in accordance with the law, for the provision of false information to the Register authority.

**Division B**

**Associations**

**Chapter III**

**Founding an Association**

**Section 23. Founders**

(1) Natural and legal persons, and also partnerships with legal capacity may be founders of an association.

(11) Also sports educational institutions within the meaning of the Sports Law which do not have the status of a legal person may be the founders of a sports organisation.

(2) The number of founders may not be less than two.

[*22 June 2017*]

**Section 24. Decision on Founding the Association**

(1) In order to found an association, the founders shall take the decision on founding the association.

(2) The following information shall be indicated in the decision on founding the association:

1) the name of the association;

2) the objective of the association;

3) the given name, surname and personal identity number (if none – date of birth, the number and date of issue of a personal identification document, the state and authority that has issued the document) of the founders, but for a legal person and partnership – the name, registration number and legal address;

4) the rights and obligations of the founders if the founders have agreed on such;

5) an authorisation (if such was given) for certain founders to sign the articles of association and an application to the Register authority;

6) other information that the founders deem necessary.

(3) After taking the decision on founding the association, the founders shall approve the articles of association of the association, elect an executive body of the association (hereinafter – the executive board) which may be collegial or single-member and other bodies if such have been provided for in the articles of association.

(4) The decision on founding the association shall be prepared in writing and it shall be signed by all of the founders of the association. His or her authorised person who has participated in the taking of the decision may sign the decision on behalf of a founder. The authorisation in writing shall be appended to the decision.

[*21 October 2010*]

**Section 25. Articles of Association of an Association**

(1) The articles of association of an association shall be prepared in writing.

(2) The articles of association shall specify:

1) the name of the association;

2) the objective of the association;

3) the period of activity of the association (if an association is being founded for a certain period of time);

4) preconditions for the entering into and removal from membership;

5) the rights and duties of members;

6) the procedures by which the rights and duties of a territorial or another division (if such are established) may be laid down;

7) the procedures for convening a meeting of members and the taking of decisions;

8) the name of the executive body, the quantitative structure thereof, prescribing the rights of the members of the executive body to represent the association individually or collectively;

9) the structure, procedures for election, competence, procedures for the taking of decisions and terms of office of audit institutions of economic and financial activity or the procedures for the appointing and terms of office of a certified auditor.

(3) Other provisions may be provided for in the articles of association which are not in contradiction with law. If the articles of association are in contradiction with law, the provisions of law are applicable.

(4) The articles of association shall be signed by all of the founders or by at least two authorised representatives thereof, and the date of the approval of the articles of association shall be indicated therein.

**Section 26. Application for the Entering of an Association into the Register**

(1) The founders shall submit to the Register authority an application for the entering of the association into the Register. The application shall indicate the information referred to in Section 15, Clauses 1–6 of this Law.

(2) The following shall be appended to an application:

1) the decision on founding the association;

2) the articles of association;

3) a written consent of each member of the executive board to be a member of the executive board.

(3) The application shall be signed by all of the founders or at least by two representatives authorised thereby.

[*21 January 2010*]

**Section 27. Responsibility for Obligations which have Derived before the Entering of an Association into the Register**

(1) A founder who has acted on behalf of an association before the entering of the association into the Register shall be liable for any obligations arising from this action. If several founders have acted on behalf of an association to be established, they shall be jointly liable.

(2) The obligations referred to in Paragraph one of this Section shall be transferred to the association from the moment when it is entered into the Register, if a founder had the right to act on behalf of the association to be established.

(3) If a founder has not had the right to act on behalf of the association, any obligations arising from such action shall be transferred to the association if the meeting of members definitively approves these obligations.

**Chapter IV**

**Members**

**Section 28. Minimum Number of Members**

(1) An association shall consist at least of two members, if the articles of association do not determine a greater number of members. The founders obtain the status of a member of the association upon the entering of the association into the Register.

(2) Every association shall keep its own membership register in which the name, surname, personal identity number (if none – date of birth, the number and date of issue of a personal identification document, the state and authority that has issued the document) and the place of residence of each member (name and address of a legal person) are indicated. Information regarding members of the association shall be available only for members of the relevant association, as well as for controlling and law enforcement authorities.

[*21 October 2010*]

**Section 29. Membership of a Member in an Association**

(1) The executive board shall take the decision on admission of a member into the association if it is not otherwise provided for in the articles of association.

(2) If the executive board or other body (except for the meeting of members) under the competence of which is the admission of members takes the decision on refusal to admit a member, the person wishing to become a member has the right to demand a review of the matter in accordance with the procedures determined in the articles of association.

(3) Obligations for members are deemable only in accordance with the procedures provided for in the articles of association.

(4) A member’s membership is not transferable to third persons or inheritable if it is not otherwise provided for by law. A member’s membership shall terminate with the quitting of or exclusion from an association, as well as upon a member’s – a natural person’s death or upon a member’s – legal person’s termination.

(5) A member’s – legal person’s membership is maintained if the legal person is being reorganised, transforming it in accordance with the procedures set out in law. If a legal person is being reorganised by merging it with another entity or by dividing it, this person’s membership in the association ceases.

(6) When reorganising a member – legal person in the course of division, the divisible legal person’s membership in the association is maintained.

(7) Within the meaning of Paragraphs four, five and six of this Section a partnership with legal capacity is also considered as a legal person.

(8) Persons with special status may participate in the activity of an association (member candidates, honorary members, associate members, senior members and the like), the rights and duties of which shall be determined by the articles of association.

(9) If the founder of a sports organisation or a member admitted later is a sports educational institution within the meaning of the Sports Law which does not have the status of a legal person, the provisions of this Law shall be applied by analogy to the membership of such member in the association which regulate the membership in the association of a member – legal person.

[*22 June 2017*]

**Section 30. Withdrawal from an Association**

A member may withdraw from an association at any time by submitting a notification in writing to the executive board of the association if it is not stipulated in the articles of association that such notification is to be submitted to another administrative body.

**Section 31. Exclusion from an Association**

(1) A member may be excluded from an association on the basis of a decision of the executive board or another body in the cases and in accordance with the procedures laid down in the articles of association. It may be stipulated in the articles of association that a member may be excluded from an association on the basis of a decision of the meeting of members.

(2) Apart from the provisions of the articles of association a member may be excluded from an association if there is a significant cause therefor. In any case, the blatant infringement of the articles of association or the commitment of significant harm to an association shall be considered as a significant cause.

(3) The executive board of the association has a duty, within five days, to inform a member in writing of his or her exclusion from the association and the motivation (justification) for this decision.

(4) If the decision on exclusion of a member is taken by the executive board or another body, a member has the right to request a review of the matter at the meeting of members.

**Section 32. Consequences of Termination of Participation of a Member**

(1) If a member’s membership in an association is terminated, the membership fee determined in the articles of association and paid in is not paid back to him or her.

(2) A person the membership of which in an association has terminated does not have any right to the property of the association.

(3) [21 October 2010]

[*21 October 2010*]

**Chapter V**

**Organisational Structure of an Association**

**Section 33. Administrative Bodies of an Association**

(1) The administrative bodies of an association are the meeting of members (general assembly) and the executive board.

(2) In addition to the administrative bodies referred to in Paragraph one of this Section the meeting of representatives (Section 41), as well as other administrative bodies, may be provided for in the articles of association, determining the procedures for the establishment and the competence thereof.

[*21 January 2010*]

**Section 34. Meeting of Members**

(1) The meeting of members is the supreme body of an association.

(2) All members of an association have the right to participate in the meeting of members if it is not otherwise provided for in law. A member may participate in the meeting of members also with the intermediation of a representative if it is not otherwise provided for in the articles of association of the association. An authorisation to participate and vote at the meeting of members shall be issued in writing.

**Section 35. Competence of the Meeting of Members**

(1) The competence of the meeting of members shall include:

1) making amendments to the articles of association;

2) the election and recall of the members of the executive board and audit institutions if such rights are not granted to another administrative body in the articles of association;

3) the taking of the decision on termination, continuation or reorganisation of the activities of the association;

4) other matters which under the law or the articles of association are in the competence of the meeting of members.

(2) The meeting of members has the right to take also such decisions which are within the competence of the executive board or other bodies provided for in the articles of association, unless otherwise provided for in the articles of association.

**Section 36. Convening of the Meeting of Members**

(1) The executive board shall convene the meeting of members in accordance with the procedures laid down in law or in the articles of association in the cases specified in law or in the articles of association or if the convening of the meeting of members is necessary in the interests of the association.

(2) The executive board shall convene the meeting of members immediately (without undue hesitation) if so requested in writing, indicating the reason for the convening, by not less than one tenth of the members and if a lesser number of members is not laid down in the articles of association.

(3) If the executive board does not convene the meeting of members on the basis of Paragraph two of this Section, the members requesting the convening of a meeting may independently convene the meeting of members in compliance with the procedures specified for the convening of a meeting.

(4) The executive board shall notify members of the convening of the meeting of members if it is intended to decide on the matters referred to in Section 35, Paragraph one, Clauses 1–3 and make known the agenda thereof at least 14 days before convening of the meeting if a longer period of time has not provided for in the articles of association.

[*21 January 2010*]

**Section 37. Course of the Meeting of Members**

(1) The quorum of the meeting of members shall be not less than one half of the members present at the meeting of members, unless otherwise provided for in the articles of association. For making amendments to the articles of association, the meeting of members has the right to take a decision, provided that more than one half of the members participate therein, if a larger quorum has not been laid down in the articles of association.

(2) If the meeting of members does not have the right to take a decision in accordance with Paragraph one of this Section, the executive board shall reconvene the meeting of members with the same agenda not later than within five weeks, taking into account the provisions of Section 36, Paragraph four of this Law. The convened meeting of members is entitled to take decisions notwithstanding the number of members present, but only in such case if at least two members participate in the meeting of members.

(3) If, in convening a meeting, the provisions of the law or the articles of association on the procedures and terms for the convening of a meeting have been violated, the meeting of members is not entitled to take decisions, except for the cases when all of the members are present at the meeting of members.

(4) The meeting of members shall be chaired by the chairperson of the executive board unless another chair of the meeting is elected by the members. The course of the meeting of members shall be recorded in the minutes. The minutes shall be signed by the chair of the meeting and by the minute-taker.

(41) The following shall be specified in the minutes of the meeting of members:

1) the name of the association;

2) the authority (person) which convenes the meeting of members;

3) the place and time of occurrence of the meeting of members and, if the meeting of members is held remotely, also information on the fact that the meeting of members is held remotely by using electronic means;

4) the time when the members have been notified of convening of the meeting of members and the type of notification;

5) the total number of members of the association and, if in accordance with the articles of association the representatives of members are participating in the meeting – the total number of the representatives necessary in order for all members to be represented;

6) the number of members (representatives of members) present in the meeting;

61) the number of members who have exercised the right to vote before the meeting of members;

7) the issues on the agenda;

8) the course and content of the discussion of the issues on the agenda;

9) the voting results specifying the number of votes “for” or “against” for each decision;

10) the decisions taken.

(5) The meetings of members shall be held openly unless a motivated decision on other procedures for the course of a meeting is taken by the meeting of members.

[*21 January2010; 22 February 2024*]

**Section 37.1 Remote Participation and Voting in the Meeting of Members**

(1) A member has the right to vote in writing (including by electronic means) on matters included in the agenda of the meeting of members before the meeting of members by sending his or her vote to the association not later than the day before the date of the meeting of members, unless otherwise provided for in the articles of association. The executive board shall determine the procedures for the identification of members and the exercise of these rights, unless otherwise provided for in the articles of association.

(2) A member who has voted before the meeting of members may request the association to confirm the receipt of the vote. In such a case, the association shall, immediately after receipt of the vote, send the confirmation to the member.

(3) A member has the right to participate and vote in the meeting of members by using electronic means, unless otherwise provided for in the articles of association. The executive board shall determine the procedures for the identification of members and the exercise of these rights, unless otherwise provided for in the articles of association.

(4) The right of a member to vote before the meeting of members or to participate and vote in the meeting of members by using electronic means shall not restrict the right of the member to participate and vote in the meeting of members in person.

(5) A member who votes before the meeting of members may vote in the meeting of members in person or by using electronic means. In such a case, the vote cast before the meeting of members shall be cancelled.

(6) A member who votes before the meeting of members or participates and votes in the meeting of members by using electronic means shall be considered present at the meeting of members. The executive board shall prepare the list of those members who have voted before the meeting of members and the participants of the meeting of members shall be acquainted with the list before the vote.

[*22 February 2024* / *Section shall come into force from 1 July 2024. See Paragraph 12 of Transitional Provisions*]

**Section 38. Decisions of the Meeting of Members**

(1) A decision of the meeting of members shall be taken if more than half of the members present vote in favour thereof, unless a greater number of votes is prescribed in law or in the articles of association.

(2) Each member has one vote in the meeting of members. A member shall not have a right to vote if the meeting of members is deciding on the entering into of a transaction with such member or the bringing of an action or the termination of a matter against such member.

(3) In order to amend or terminate the rights of a member which differ from the rights of other members, or in order to specify obligations of a member which differ from the obligations of other members, the consent of such member is required.

**Section 39. Amendments to the Articles of Association**

(1) [21 January 2010]

(2) Amendments to the articles of association shall come into effect at the time of the taking thereof, unless it is otherwise specified in the articles of association, but in respect of third persons – only after the registration of the amendments to the articles of association in the Register.

(3) Amendments to the articles of association shall be notified to the Register authority by appending an extract of the minutes of the meeting of members or an extract of the voting minutes with the decision on amendments to the articles of association and a complete text of the articles of association in the new wording.

[*21 January 2010*]

**Section 40. Deeming Void the Decision of the Meeting of Members**

(1) A court may deem void the decision of the meeting of members on the basis of an application by a member of the association, a member of the executive board, an auditor (also other bodies if provided for in the articles of association) of the association, if such decision or the procedures for the taking thereof are in contradiction with law or the articles of association or significant infringements have been allowed in the convening of the meeting or the taking of the decision. An action may be brought within three months from the day when the person concerned became aware or should have become aware of the decision of the meeting of members, but not later than one year from the day of the taking of the decision.

(2) In accordance with the provisions of Paragraph one of this Section, a court may also deem void decisions of other bodies of an association.

**Section 41. Meeting of Representatives**

(1) It may be laid down in the articles of association that the duties of the meeting of members are carried out within the scope specified in the articles of association by a meeting of representatives elected from the total number of members. The representation norm, procedures for the nomination and election of representatives shall be determined by the executive board, unless otherwise provided for in the articles of association. All members of an association have the right to participate in the election of representatives.

(2) The provisions of this Law regarding the meeting of members are applicable in respect of the meeting of representatives, unless otherwise specified in law.

**Section 42. Executive Board**

(1) An executive board shall manage and represent an association.

(2) The executive board may be one member or several members.

(3) Natural persons of legal age the capacity to act of whom has not been restricted by the court may be the members of the executive board.

(4) [23 September 2004]

[*23 September 2004; 3 October 2013*]

**Section 43. Competence of the Executive Board**

(1) The executive board shall oversee and manage the affairs of an association. It shall manage the property of the association and use the funds thereof in accordance with law, the articles of association, decisions of the meeting of members or other bodies.

(2) The executive board shall organise the accounting of an association in accordance with laws and regulations and perform other duties in accordance with the competence determined in the articles of association.

**Section 44. Representation Rights of the Executive Board**

(1) All members of the executive board have representation rights. Members of the executive board shall represent the association jointly, unless otherwise provided for in the articles of association.

(2) The representation rights of the executive board in respect of a third party may not be restricted. The rights of the members of the executive board specified in the articles of association to represent an association jointly or separately shall not be considered as a limitation on the representation rights of the executive board within the meaning of this Section.

(3) With regard to the association, the executive board shall observe the limitations on representation laid down in the articles of association, in the decisions of the meeting of members and other bodies determined in the articles of association.

**Section 45. Election, Recall and the Right to Leave Office of Members of the Executive Board**

(1) Members of the executive board shall be elected by a decision of the meeting of members, unless otherwise provided for in the articles of association.

(11) If there are several members in the composition of the executive board, the meeting of members shall elect the chairperson of the executive board from among the members of the executive board. It may be determined in the articles of association that the chairperson of the executive board is elected by the executive board or by a body supervising the activity of the executive board if such has been established.

(2) A member of the executive board may be recalled by the body which elected such member or by the meeting of members.

(3) It may be provided for in the articles of association that a member of the executive board may be recalled only if there is an important reason. The non-performance or improper performance of duties, the inability to manage the association, the commitment of harm to the interests of the association, as well as the loss of trust shall be considered as such cause in any case.

(4) A member of the executive board does not have any right to transfer his or her authorisations to third persons.

(5) A member of the executive board may at any time submit a notification to the association regarding leaving his or her post as a member of the executive board.

(6) The election of a member of the executive board or the expiration of his or her authorisations shall be notified for entry into the Register by appending to the application an extract from the minutes of the meeting of members or other body specified in the articles of association with the decision on election, by appending a consent in writing by the member of the executive board to be the member of the executive board, or recall of the member of the executive board.

[*23 September 2004; 21 October 2010*]

**Section 46. Taking of the Decisions of the Executive Board**

(1) A quorum of the executive board shall be not less than one-half of the members of the executive board present at a meeting, and if a larger quorum has not been determined in the articles of association.

(2) If there are several members in the executive board, a decision shall be taken by a simple majority of the members of the executive board present, unless a higher voting majority is provided for in the articles of association.

(3) Notwithstanding the provisions of Paragraphs one and two of this Section, the executive board is entitled to take decisions without the convening of a meeting if all of the members of the executive board vote in writing regarding the taking of a decision, unless otherwise provided for in the articles of association.

(4) Minutes shall be taken (recorded) in executive board meetings. The decisions taken shall be mandatorily recorded in the minutes, indicating the vote of each member of the executive board separately for each decision with an entry “for” or “against”.

**Section 47. Remuneration and the Covering of Expenses**

(1) A member of the executive board shall perform his or her duties without remuneration, unless otherwise provided for in the articles of association.

(2) If the right of a member of the executive board to receive remuneration is provided for in the articles of association, the amount and the procedures for the disbursement thereof shall be determined by a decision of the meeting of members, unless otherwise provided for in the articles of association.

(3) A member of the executive board may request the covering of such expenses which have arisen in the course of the execution of his or her duties, unless otherwise provided for in the articles of association.

**Section 48. Other Bodies of an Association**

It may be determined in the articles of association that another body shall be formed in addition to the executive board for the performance of certain activities in accordance with the procedures for appointment (election) and competence specified in the articles of association.

**Section 49. Liability of Members of the Executive Board and Other Bodies**

(1) Members of the executive board and other bodies shall be jointly liable for any losses caused to an association due to the fault thereof.

(2) An association may bring an action against a member of the executive board or other body within five years from the day of the infringement of rights or from the day when the violation of rights became known.

**Section 50. Divisions of an Association**

(1) An association may have its own territorial or other organisationally independent divisions. Divisions of an association are not legal persons.

(2) If a division of an association has its own meeting of members and executive board, the provisions of Sections 33, 34, 36–38, 40–43, 45–47, and 49 of this Law are applicable thereto.

**Section 51. Control Rights of the Meeting of Members**

(1) The executive board shall provide members of the association with the necessary information and documents pertaining to the activities of the association, as well as shall prepare a relevant report upon their request.

(2) The meeting of members shall control the activity of other administrative bodies. For this purpose, the meeting of members is entitled to call for an internal audit of the association.

(3) Members of the executive board have a duty to provide to the audit institution all of the information and documents necessary for the carrying out of the audit.

(4) The auditor shall prepare an opinion on the results of the audit which shall be submitted to the meeting of members.

**Section 52. Annual Statement of an Association**

(1) The executive board shall prepare an association’s annual statement after the end of the reporting year in accordance with the Accounting Law and other laws and regulations in the field of keeping the accounting and drawing up of statements.

(2) An association’s annual statement shall be examined by an audit institution of economic and financial activity or by a certified auditor. Members of the association have the right to become acquainted with the annual statement.

(3) An association shall submit the annual statement to the State Revenue Service each year not later than by 31 March in accordance with the procedures laid down in the laws and regulations regarding drawing up and submission of statements. The Cabinet shall determine in which cases the annual statement shall be accompanied by a report of an audit institution of economic and financial activity or a certified auditor.

[*22 February 2024*]

**Chapter VI**

**Prohibition for an Association to Carry out Public Activity or Other Activity, Termination and Liquidation of Activities of an Association**

[*2 November 2017*]

**Section 53. Basis for Termination of Activities of an Association**

The activities of an association shall be terminated:

1) by the decision of the meeting of members;

2) upon commencing bankruptcy procedures of the association;

3) upon the diminishing of the number of members to a single member or to another number laid down in the articles of association;

4) upon expiration of the term laid down in the articles of association (if the association was established for a specific period of time);

41) by a decision of the Register authority;

42) by a decision of the State Revenue Service;

5) by a court ruling;

6) on another basis specified in law or the articles of association.

[*22 February 2024* / *Clauses 4.1 and 4.2 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 54. Termination of Activities of an Association by the Decision of the Meeting of Members**

The decision of the meeting of members on termination of activities of an association is taken if more than two-thirds of the members present vote in favour thereof, unless a higher voting majority is provided for in the articles of association.

[*21 January 2010*]

**Section 55. Termination of Activities of an Association by Commencing Bankruptcy Procedures**

The procedures by which the activities of an association shall be terminated in the case of bankruptcy are determined by the Insolvency Law.

[*21 January 2010*]

**Section 56. Termination of Activities of an Association by the Decision of the Executive Board**

If the number of members diminishes to a single member or to another number laid down in the articles of association as well as if the period of time specified in the articles of association for which an association has been established expires, the executive board of the association shall take the decision on termination of the activities of the association. If the activities of the association are terminated by the decision of the executive board, the application for termination of the activities shall be appended by the decision of the executive board.

[*23 March 2017*]

**Section 56.1 Termination of Activities of an Association by a Decision of the Register Authority or the State Revenue Service**

(1) The activities of an association may be terminated by a decision of the Register authority if:

1) the executive board of the association has not had the right of representation for more than two years and the association has not rectified the indicated deficiency within six months after receipt of a written warning;

2) the association cannot be reached at its legal address and has not rectified the indicated deficiency within six months after receipt of a written warning.

(2) The activities of an association may be terminated by the decision of the State Revenue Service if the association has not submitted its annual statement within three months after an administrative penalty was imposed and at least two years have passed since the violation was committed.

(3) A decision of the Register authority or the State Revenue Service to terminate the activities of an association shall come into force at the time when it has been notified to the addressee. The Register authority shall make an entry in the Register on the termination of the activities of the association after the decision of the Register authority or the State Revenue Service to terminate the activity of the association has become incontestable.

(4) If the activities of the association have been terminated on the basis of a decision of the Register authority or the State Revenue Service, the person interested in liquidation of the association is entitled to submit to the Register authority the application for appointing a liquidator in accordance with the procedures laid down in Section 59.1 of this Law.

[*22 February 2024* / *Section shall come into force from 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 57. Termination of Activities of an Association by a Court Ruling**

(1) The activities of an association may be terminated on the basis of a court ruling:

1) if the activities of the association endanger the State security, public safety or order, or are otherwise in contradiction with the Constitution, laws or other laws and regulations;

2) if economic activity of a profit-making nature has become the primary activity of the association;

3) if the executive board of the association has not submitted an application for the termination of the activities of the association in accordance with this Law;

4) in other cases laid down in the law.

(2) An application to the courts may be filed by a prosecutor or by the State Revenue Service if an association:

1) has failed to rectify the violations after receipt of the written warning of the State Revenue Service or prosecutor or prosecutor’s submission within the time period laid down in the relevant warning or prosecutor’s submission. The time period for rectification of the violations shall be determined not shorter than 15 days and no longer than three months, except for the case referred to in Section 57.3 of this Law when the prosecutor determines the time period in the submission;

2) repeatedly commits a violation within a year after receipt of a warning, especially in the public activities thereof;

3) has violated the prohibition laid down in Section 10, Paragraph 1.1 of this Law;

4) has not performed the additional obligations imposed in accordance with Section 10.1, Paragraph one of this Law.

(3) A court, taking into account the severity and consequences of the violation committed by an association, as well as in evaluating the goal and the activities as a whole of the association, may limit itself to a warning to the association without terminating the activities thereof.

[*2 November 2017*]

**Section 57.1 Prohibition for an Association to Carry out Public Activities or Other Activities**

(1) Upon a reasoned application of the State Revenue Service or prosecutor, a court may prohibit an association from performing public activities or other activities until the adoption of a final court ruling in the matter. It is permissible to examine the issue on the determination of prohibition of public activities or other activities of the association in any stage of the process, and also before bringing an action to the court on the termination of activities of the association.

(2) A court or judge shall decide on the application on prohibition of public activities or other activities of an association within 15 days after receipt of the application or the day of initiation of the case if the application has been submitted concurrently with the statement of claim on the termination of activities of the association, notifying the association thereof in advance. Failure of the representatives of the association to attend shall not constitute a bar for the examination of the application.

(3) If delay in taking the decision to prohibit public activities or other activities of an association could cause threat to the State or public security, the court or judge shall decide on the application on prohibition of public activities or other activities of an association not later than on the next working day after receipt of the application, without notifying the participants in the case thereof in advance. If the decision to prohibit public activities or other activities of an association is taken without presence of the representatives of the association, the decision shall be notified to the association not later than at the time of enforcement of the referred to decision.

(4) If the application for the determination of prohibition of public activities of an association is submitted before the claim referred to in Section 57.3 of this Law, the court or judge shall apply the provisions of Section 57.3, Paragraphs four and five of this Law.

(5) When satisfying the application on prohibition of public activities or other activities of an association before bringing an action to the court on termination of activities of the association, the court or judge shall determine the time period for the State Revenue Service or prosecutor for the submission of the statement of claim to the court which is not longer than two months. If the action is not brought within the time period laid down by the court, the court or judge shall take a decision to revoke the prohibition of public activities or other activities of an association.

(6) A judge shall indicate the purpose and grounds for the prohibition of public activities or other activities of an association which are prohibited completely or partly in the decision to prohibit public activities or other activities of the association.

(7) The decision to prohibit public activities or other activities of an association and the decision to revoke the prohibition of public activities or other activities of an association shall be enforced immediately after taking thereof. The court shall send the relevant decision to the Register authority for making the entry in the Register. The Register authority shall ensure that the information on making the entry on the prohibition of public activities or other activities of an association is available free of charge on the website thereof.

(8) Upon the application of a participant in the case, the prohibition of public activities or other activities of an association may be revoked by the same court which has determined the prohibition of public activities or other activities of the association, or by the court in the record-keeping of which is examination of the case on the merits. This application shall be decided at a court hearing within the time period laid down in Paragraph two of this Section, notifying the participants in the case thereof in advance.

(9) When satisfying the claim on the termination of activities of an association, the prohibition of public activities or other activities of the association shall be in force until the day when the judgment comes into legal effect.

(10) When rejecting the claim on the termination of activities of an association, the court shall, in the judgment, revoke the prohibition of public activities or other activities of the association. The judgment in the part on the revocation of public activities or other activities of the association shall come into effect immediately.

(11) If the claim on the termination of activities of an association is left without examination or court proceedings have been terminated, the court shall, by the decision, revoke the prohibition of public activities or other activities of the association. The decision to revoke the prohibition of public activities or other activities of the association shall come into effect immediately.

(12) If the association, before adoption of the final ruling in the case, violates the court decision which is adopted in accordance with the procedures laid down in Paragraph one of this Section or fails to comply with the provisions of the relevant decision, the court shall, upon the proposal of the applicant, impose on the association a procedural sanction (a warning or a fine) and warn about criminal liability arising if the association continues violating the court decision.

[*2 November 2017; 22 February 2024*]

**Section 57.2 Appeal of the Decision Taken on the Determination of Prohibition of Public Activities or Other Activities of an Association**

(1) An ancillary complaint may be submitted in respect of the decision by which the application on the determination of the prohibition of public activities or other activities of an association has been rejected and the decision by which the application to revoke the prohibition of public activities or other activities of an association has been rejected in accordance with the procedures laid down in the Civil Procedure Law within 10 days from the day of notification of the decision.

(2) Submission of an ancillary complaint regarding decision referred to in Paragraph one of this Section shall not stay the execution thereof.

[*2 November 2017*]

**Section 57.3Termination of Activities of an Association by a Court Ruling if the Activities of the Association Endanger the State Security or Public Safety**

(1) If the activities of an association are directed towards the violation of any prohibition referred to in Section 10, Paragraph 1.1 of this Law, a prosecutor shall express a written warning to the association or lodge a submission thereto. If after receipt of the prosecutor’s submission the association has not rectified the violation within the period specified in such submission or commits the violation on prohibition of which the party has been previously warned, the prosecutor shall bring an action on the termination of activities of the association before the Riga City Court.

(2) If the activities of an association violate any of the prohibitions referred to in Section 10, Paragraph 1.1 of this Law or the activities of the association are in contradiction with the Constitution, laws, or other regulatory enactments and endanger national security or public safety, the prosecutor shall bring an action on the termination of activities of the association before the Riga City Court.

(3) The Riga City Court shall examine the cases on the termination of activities of the association immediately if the latter affects national security or public safety interests by applying the procedures laid down in the Civil Procedure Law.

(4) In order to find out true circumstances of the case within the framework of the claim and achieve lawful and fair examination of a case, the court, when examining the cases on the termination of activities of an association, if it affects the State security or public safety interests, shall find out the circumstances of the case, verify evidence, and also, where the evidence submitted is not sufficient, shall request them upon its own initiative.

(5) If in examining the cases on the termination of activities of an association the information which is the official secret object obtained in operational activities measures is used as evidence, only the court, upon a reasoned request of the participants in the case, may become acquainted with the materials of operational activities which are not appended to the case and are related to the object of evidence by indicating in the ruling that such materials have been evaluated.

(6) The court judgement in the case on the termination of activities of an association may be appealed in accordance with the procedures laid down in the Civil Procedure Law.

[*2 November 2017; 22 February 2024*]

**Section 58. Liquidation of an Association**

(1) In the case of the termination of the activities of an association, liquidation thereof shall be carried out if it is not otherwise provided for in law.

(2) The word “likvidējamā” [to be liquidated] shall be added to the name of the association.

(3) In the case referred to in Section 56.1 of this Law, liquidation of the association shall not take place and the Register authority shall take the decision to exclude the association from the Register if none of the persons interested in the liquidation of the association submits the application for appointing a liquidator to the Register authority in accordance with Section 59.1 of this Law and insolvency proceedings have not been declared in relation to the association.

[*22 February 2024* / *Paragraph three shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 59. Liquidators of an Association**

(1) Liquidation is performed by the members of the executive board, unless otherwise provided for in the articles of association, in a decision of the meeting of members or in the court ruling.

(2) If the liquidator is appointed by the meeting of members, it shall set the amount of his or her remuneration and the procedures for disbursement.

(3) If the activity of an association is terminated on the basis of a court ruling, the liquidator shall be appointed and the amount of his or her remuneration shall be determined by the court.

(31) If a liquidator is appointed in accordance with Section 59.1 of this Law, the amount of and the procedures for disbursing the remuneration of the liquidator shall be determined by the person interested in liquidation of the association who has submitted the application for appointing a liquidator.

(4) A natural person of legal age may be a liquidator the capacity to act of which has not been restricted by the court.

[*21 January 2010; 3 October 2013; 22 February 2024 / Paragraph 3.1 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 59.1 Appointing a Liquidator on the Basis of an Application of the Person Interested in the Liquidation of the Association**

(1) In the case referred to in Section 56.1 of this Law, after an entry on the termination of the activities of the association has been made in the Register, the Register authority shall publish the notification on the termination of the activity of the association in the official gazette *Latvijas Vēstnesis*. In the notification the persons interested in the liquidation of the association shall be invited to submit the application for appointing a liquidator to the Register authority within three months after the day when the notification was published.

(2) In the application referred to in Paragraph one of this Section the person interested in the liquidation of the association shall indicate his or her given name, surname, and personal identity number (if none – the date of birth, the number and date of issuance of a personal identification document, the country and authority that has issued the document) and certify his or her compliance with the status of the person interested in the liquidation, and also indicate the information on the liquidator referred to in Section 60, Paragraph one of this Law.

(3) The Register authority shall make an entry in the Register on the appointment of a liquidator on the basis of the first application for appointing a liquidator submitted by the person interested in liquidation of the association.

[*22 February 2024* / *Section shall come into force from 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 60. Application for the Termination of Activities of an Association and Liquidation Thereof**

(1) If the activities of an association are terminated due to the circumstances referred to in Section 53, Clause 1, 3, or 4 of this Law, the executive board shall submit to the Register authority the application for the termination of the activities of the association. The application shall state the given name, surname, and personal identity number (if none – the date of birth, the number and date of issuance of a personal identification document, the country and authority that has issued the document) of the liquidator. The following shall be appended to the application:

1) a written consent of each liquidator to be the liquidator. In the written consent the liquidator shall indicate the name and registration number of the association for which he or she agrees to become a liquidator;

2) an extract from the minutes of the meeting of members with the decision on termination of activities of the association if the activity of the association has terminated by the decision of the meeting of members.

(2) If the activities of an association are terminated by a court ruling, the court shall send the relevant ruling for the making of an entry in the Register. The liquidator shall submit to the Register authority the information referred to in the second sentence of Paragraph one and Clause 1 of this Section within three days after entering into effect of the ruling.

(3) If liquidation is being performed by the members of the executive board, this fact shall be indicated in the application or in the court ruling and the information referred to in Paragraph one, Clause 1 of this Section need not be appended thereto.

(4) If the activities of an association are terminated by a decision of the State Revenue Service, the State Revenue Service shall, after the decision has become incontestable, send the relevant decision to the Register authority for making an entry in the Register.

[*22 February 2024* / *Paragraph four shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 61. Dismissal of a Liquidator**

(1) A liquidator may be dismissed by a decision of the meeting of members, simultaneously appointing another liquidator.

(2) A liquidator may be dismissed by a court ruling on the basis of a member’s or another interested person’s application if there is good cause therefor.

(3) A liquidator appointed by a court may be dismissed only by a court ruling on the basis of a member’s or another interested person’s application if there is good cause therefor, simultaneously appointing another liquidator.

(31) A liquidator who has been appointed on the basis of an application to the Register authority by the person interested in liquidation of the association may be dismissed only by a court or the interested person who appointed the liquidator.

(4) The new liquidator shall submit to the Register authority the decision on dismissal of the liquidator within three days after taking of the decision.

[*22 February 2024* / *Paragraph 3.1 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 62. Rights and Obligations of Liquidators**

(1) A liquidator has all the rights and duties of the executive board and other bodies provided for in the articles of association (except for the meeting of members) which are not in contradiction with the goal of the liquidation.

(2) A liquidator shall recover debts, sell off the property of the association, satisfy claims of creditors and divide the remaining property of the association among the persons who have rights to this property after the covering of liquidation costs and the satisfaction of creditors’ claims. If the status of a public benefit organisation has been granted to the association to be liquidated in accordance with the Public Benefit Organisation Law, the liquidator shall inform the authority which, in accordance with the abovementioned Law, takes decisions on granting and removal of the status of a public benefit organisation of commencement of a liquidation process.

(3) A liquidator may only enter into those transactions which are necessary for the liquidation of the association.

[*21 January 2010*]

**Section 63. Liquidator’s Right of Representation**

(1) If the liquidation of an association is being carried out by several liquidators, they only have the right to jointly represent the association, unless otherwise provided in the articles of association, the decision of the meeting of members or the court ruling. A provision regarding separate representation is in effect only in respect of third persons if it is so entered in the Register.

(2) Liquidators may authorise one or several persons from among their midst for the performance of certain legal activities.

**Section 64. Submission of an Insolvency Proceedings Application**

If during the course of liquidation it is revealed that the property of an association to be liquidated is insufficient in order to satisfy all of the justified claims of creditors, the liquidator has a duty to submit an insolvency proceedings application in accordance with the procedures specified by law.

[*21 January 2010*]

**Section 65. Provision of Information to Creditors and the Submission of Claims**

(1) A liquidator shall publish the notification on the termination of activities of an association and the liquidation thereof in the official gazette *Latvijas Vēstnesis* within 15 days after an entry is made in the Register of Associations and Foundations.

(2) A liquidator shall send a notification regarding the commencement of liquidation to all known creditors of the association.

(3) The creditors of an association shall be invited in the notification referred to in Paragraphs one and two of this Section to submit their claims within three months of the day of publication of the notification, unless a longer period of time for the submission of creditors’ claims is determined in a decision of the meeting of members or in the court ruling regarding the termination of activities of the association.

(4) Creditors shall submit their claims against an association to the liquidator within the specified period of time. In the claims, creditors shall state the contents of their claims, the basis and amount, and append documents on which the claims are based.

[*23 January 2014; 22 February 2024*]

**Section 66. Financial Report for the Beginning of Liquidation**

After expiry of the deadline for the submission of creditors’ claims, the liquidator shall prepare the financial report for the beginning of liquidation in accordance with Section 21 of the Accounting Law and the laws and regulations prescribing assessment of property, including claims and liabilities, in the accounting and inclusion thereof in the financial reports, if activities of an undertaking or a unit thereof are terminated. If in accordance with the Accounting Law and other laws and regulations in the field of keeping the accounting and drawing up of statements an association keeps the accounting in a single entry system, the balance sheet which is to be included in the financial report for the beginning of liquidation shall be drawn up on the basis of the entire property of the association, including data of claims and obligations, inventory data in the beginning of liquidation of the association.

[*22 February 2024*]

**Section 67. Protection of Creditors**

(1) If a known creditor does not submit his or her claim, accept a settlement or if an obligation is not yet executable, the amounts which are due to the creditor shall be deposited at a sworn notary.

(2) If a disputed claim of a creditor exists, the property of the association may be divided only if collateral has been provided for the relevant creditor.

[*22 February 2024; 20 March 2024*]

**Section 68. Financial Report and the Division of Property for the Closing of an Association**

(1) After satisfying the claims of creditors or depositing the money intended therefor and the covering of liquidation costs, the liquidator shall draw up a financial report for the closing of the association, by applying the provisions of Section 66 of this Law relevantly, and shall divide the rest of the association’s property amongst the persons who have the right to such property in accordance with the articles of association or law.

(2) It may be determined in the articles of association that the meeting of members determines the persons who shall have the right to such property before the division of the property of the association, unless it is otherwise prescribed by law. Such rights may not be specified for the founders of the association, members of the executive board or other administrative bodies, as well as for other persons with similar economic interests, especially for spouses, relatives and brothers-in-law, sisters-in-law, counting kinship up to the second degree and affinity up to the first degree.

(3) If the articles of association or the decisions of the meeting of members do not provide for persons who shall have rights to any remaining property, it shall be divided into equal parts amongst the persons who were members of the association at the time of the termination of activities, unless it is otherwise prescribed by law.

(4) If the property of the association is not possible to divide in accordance with the procedures specified in Paragraphs one, two and three of this Section, the property of the association falls within the jurisdiction of the State.

(5) If the activities of the association have been terminated in accordance with the provisions of Section 57, Paragraph one, Clauses 1 and 2 of this Law, the association’s remaining property falls within the jurisdiction of the State after the covering of liquidation expenses and the satisfaction of the claims of creditors.

(51) The division of property of an association which is a public benefit organisation, as well as of such association for which the status of a public benefit organisation has been removed, but which during the previous calendar year before the commencement of the liquidation has received donations as a public benefit organisation, in a case of liquidation shall be carried out in compliance with the Public Benefit Organisation Law.

(52) The property which has remained after exclusion of the association from the Register in accordance with the procedures laid down in Section 58, Paragraph three falls within the jurisdiction of the State.

(6) The property of an association may be divided not earlier than six months following the day of publication of the notification regarding the termination of activities of the association. A court may allow the remaining property of the association to be divided before the specified time period if losses to creditors are not caused thereby.

[*21 January 2010; 15 December 2011; 22 February 2024* / *Paragraph 5.2 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 69. Keeping of an Association’s Documents**

The liquidator shall perform the necessary activities for the bringing to order and the transfer of an association’s documents for storage to the National Archives of Latvia in accordance with the Archives Law and for preservation of temporary records and for the provision of accessibility thereof in compliance with the time period of storage, by co-ordinating the place for storage thereof with the National Archives of Latvia. Expenses connected with the bringing to order and the transfer of documents to the Archives shall be covered from the property of the association to be liquidated.

[*15 December 2011*]

**Section 70. Continuation of Activities of an Association**

(1) If the termination of activities of an association is provided for in the articles of association or if the decision on termination of activities of an association is taken by the meeting of members, the members may take the decision on continuation or reorganisation of the activities of the association until the commencement of the division of property. The decision is considered to be taken if more than two-thirds of the members present vote in favour thereof.

(2) In taking the decision on continuation of the activities of an association, the executive board and other bodies provided for in the articles of association shall be established.

(3) A liquidator shall submit an application to the Register authority on the continuation of activities of an association by appending an extract of the minutes of the meeting of members to the application with the decision to continue activities of an association and elect members of the executive board, and also a written consent of each member of the executive board to be a member of the executive board. The decision on continuation of the activities of the association shall enter into effect upon entering it into the Register.

[*23 March 2017*]

**Section 71. Deletion from the Register**

(1) After the division of the remaining property of an association, the liquidator shall submit to the Register authority an application for the completion of the liquidation. The financial report for the closing of the association shall be appended to the application.

(2) In the application, the liquidator shall certify that:

1) the financial report for the closing of the association has not been contested in a court or that the relevant claim has been refused;

2) all of the claims of creditors have been satisfied or the money intended therefor has been deposited;

3) the documents of the association have been transferred for keeping to the National Archives of Latvia.

[*15 December 2011*]

**Section 72. Liability of Liquidators**

(1) A liquidator shall be liable for any losses incurred through his or her own fault.

(2) If there are several liquidators, they shall be solidarily liable for the losses incurred through their own fault.

**Chapter VII**

**Reorganisation of Associations**

**Section 73. Reorganisation**

(1) An association may be reorganised by way of a merger or a division.

(2) Only associations may participate in the process of reorganisation, unless it is otherwise prescribed by law.

(3) It may be provided for in the articles of association that reorganisation is or is not allowed under certain preconditions.

**Section 74. Merger**

(1) An association may be merged with another association through the course of incorporation or merger.

(2) Incorporation is a process by which an association (the association to be incorporated) transfers all of its property to another association (the acquiring association).

(3) A merger is a process by which two or more associations (the associations to be incorporated) transfer all of their property to an newly established association (the acquiring association).

(4) In the case of a merger the association to be incorporated ceases to exist without undergoing liquidation proceedings.

(5) In the case of a merger the rights and obligations of the association to be incorporated transfer to the acquiring association. Members of the association to be incorporated become members of the acquiring association.

(6) In respect of the newly established association, the provisions of this Law regarding the founding of an association are applicable in so far as it is not otherwise provided for in this Chapter. The associations to be incorporated shall be considered as the founders of the association.

**Section 75. Division**

(1) Division is a process by which an association (the association to be divided) transfers its property to one or several other associations (the acquiring associations) through the course of a splitting or a separation.

(2) In the case of a splitting the association to be divided transfers all its property (rights and obligations) to two or more acquiring associations and ceases to exist without undergoing liquidation proceedings.

(3) In the case of a splitting the members of the association to be divided become members of the acquiring associations in accordance with the reorganisation agreement or the decision on reorganisation.

(4) In the case of a separation the association to be divided transfers a part of its property (rights and obligations) to one of the acquiring associations or to several such associations. In the case of a separation the association to be divided continues to exist.

(5) In the case of a separation the members of the association to be divided become members of the acquiring associations in accordance with the decision on reorganisation or the reorganisation agreement.

(6) An acquiring association may be an already existing association or a newly established association. In respect of a newly established association, the provisions regarding the founding of the association are applicable in so far as it is not otherwise provided for in this Chapter.

**Section 76. Reorganisation Agreement**

(1) If two or more already existing associations participate in a process of reorganisation, they shall enter into a reorganisation agreement. A contract shall be entered into in writing.

(2) The agreement shall indicate:

1) the name, the registration number and the legal address of the associations involved in the reorganisation;

2) the rights which the acquiring association grants to members of the association to be incorporated or the association to be divided;

3) the consequences of the reorganisation in respect of employees of the associations involved in the reorganisation process;

4) in the case of a splitting – the economic and non-financial rights and obligations to be transferred to each acquiring association;

5) in the case of a merger – the further utilisation of the non-financial rights of each association.

(3) In the case of a merger of associations the name and legal address of the acquiring (newly established) association shall be specified in the reorganisation agreement in addition to the information referred to in Paragraph two of this Section.

(4) If another already existing association is not involved in the process of division, the association to be divided shall take the decision on division which replaces the agreement referred to in this Section. The name, legal address of the acquiring association and information regarding the division of property of the association to be divided shall be indicated in the decision on division in addition to the information referred to in Paragraph two of this Section. The division of property act may be appended to the decision in the form of a separate document.

**Section 77. Decision on Reorganisation**

(1) The draft reorganisation agreement shall be examined and the decision on reorganisation taken by the meeting of members of each association involved in the reorganisation process.

(2) Not later than one month before the day when the meeting of members regarding the approval of the agreement is scheduled, the opportunity to become acquainted with the draft agreement at the associations according to the legal addresses thereof shall be provided for all of the members of the association.

(3) The decision on reorganisation shall be considered to be taken if more than two-thirds of the members present vote in favour thereof and if a higher voting majority is not provided for in the articles of association.

(4) The decision on reorganisation shall be prepared in the form of a separate document.

(5) If the acquiring association is a newly established association, the draft articles of association of the newly established association shall be examined at the meeting of members in each of the associations involved in the reorganisation process. The articles of association of the newly established association are approved simultaneously with the taking of the decision on reorganisation.

(6) The relevant associations shall enter into an agreement on the basis of the decision on reorganisation.

**Section 78. Protection of the Interests of Creditors**

(1) Within fifteen days of the taking of the decision on reorganisation, each association involved in the reorganisation process shall notify in writing all known creditors who had a right of claim against the association until the taking of the decision on reorganisation.

(2) Each of the associations involved in the reorganisation process has an obligation to publish in the official gazette *Latvijas Vēstnesis* a notice that the decision on reorganisation has been taken. The following shall be indicated in the notice:

1) the name, the registration number and the legal address of the association;

2) the name, the registration number and the legal address of the other associations involved in the reorganisation;

3) the fact that the decision on reorganisation has been taken, indicating the type thereof;

4) the place and time period for the submission of creditors’ claims which may not be shorter than one month from the day of publication of the notification.

(3) An association to be incorporated or divided shall ensure a creditor’s claim if he or she so requests and if it has been submitted within the time period specified in the notification referred to in Paragraph two of this Section. A creditor of the acquiring association may request the securing of a claim only if it is proven that the merger endangers the satisfaction of his or her claim.

(4) A secured creditor may request security only for the amount of the unsecured part of a debt.

[*23 January 2014*]

**Section 79. Contesting the Decision on Reorganisation**

(1) On the basis of the claim of a member of the association involved in a reorganisation or a member of the executive board, the decision on reorganisation may be declared invalid by a court if it has been taken in violation of law or the articles of association and it is not possible to rectify these violations or they are not rectified within the period of time specified by the court.

(2) The time period for the bringing of an action is three months after the day of the publication of the announcement referred to in Section 78 of this Law.

(3) The association the decision on reorganisation of the meeting of members of which has been declared as void has an obligation to publish a notification thereof in the official gazette *Latvijas Vēstnesis* within 15 days from the day of entering into effect of the court ruling.

(4) If the decision on reorganisation is declared invalid, it shall not affect obligations which an association has undertaken during the reorganisation process.

[*23 January 2014*]

**Section 80. Application to the Register Authority**

(1) Each association involved in a reorganisation process shall submit an application for the making of an entry regarding reorganisation to the Register authority not later than three months from the day of the publication of the notification. The following shall be appended to the application:

1) the reorganisation agreement or a correspondingly certified copy thereof;

2) an extract of the minutes and the decision on reorganisation;

3) the articles of association of the acquiring association (if as a result of reorganisation a new association is being established);

4) the list of the members of the executive board of the acquiring association (if as a result of reorganisation a new association is being established);

5) if a new association is established as a result of reorganisation – the application on entering the association in the Register.

(2) An association shall certify in the application that the claims of creditors who have submitted their claims within the specified term have been secured or satisfied and that the decision on reorganisation is not contested in court or that the relevant claim has not been satisfied.

(3) In the case of a merger of associations, the associations to be incorporated shall submit to the Register authority a joint application for the entering into the Register of the newly established association.

[*23 March 2017*]

**Section 81. Name of an Acquiring Association**

An acquiring association may continue its activities using the name of the incorporated association.

**Section 82. Entry Regarding Reorganisation to be Made in the Register**

(1) An entry shall be made in the Register regarding the association to be incorporated after the making of the entries regarding all of the acquiring associations.

(2) The file of the association to be incorporated shall be appended to the file of an acquiring association after making the entry on the incorporation of this association into the Register, and the incorporated association is excluded from the Register.

(3) After making the entry on reorganisation into the Register of the association to be divided, the relevant extracts from the file of the association to be divided shall be appended to the files of the acquiring associations and, in cases where a division is being carried out through splitting, the association to be divided shall be excluded from the Register.

**Section 83. Legal Significance of the Entry regarding Reorganisation Made in the Register**

(1) A reorganisation shall be considered as entered into effect at the moment when the entries for all of the associations involved in the reorganisation have been made into the Register, including the newly established associations.

(2) From the time when reorganisation enters into effect:

1) the property of the association to be incorporated is considered as transferred into the property of the acquiring association;

2) the property of the association to be divided is considered as transferred into the property of the acquiring associations in accordance with the agreement.

(3) Upon exclusion of the association from the Register this association is considered to be liquidated.

**Section 84. Liability of Associations Involved in the Reorganisation Process**

(1) An acquiring association shall be liable for all of the obligations of the association to be incorporated.

(2) All of the associations involved in a division, including newly-established associations, shall be jointly liable for the obligations of the association to be divided which have arisen until the entering into effect of the reorganisation. In the mutual relations of joint debtors only such persons are considered to be an affiliated entity the obligations of which have been provided for in the agreement.

(3) If any obligations of an association involved in a division have not been specified in the agreement, it shall be jointly liable with the other associations involved in the division regarding the obligations of the association to be divided that have arisen until the entering into effect of the reorganisation and the time period for the performance of which is due within five years of the entering into effect of the reorganisation.

**Section 85. Liability of the Members of the Executive Board**

(1) The members of the executive board of the associations involved in a reorganisation shall be jointly liable for losses which have been caused to the association due to their fault during the course of reorganisation.

(2) The claim referred to in Paragraph one of this Section is subject to a limitation period of five years from the time of the entering into effect of the reorganisation.

**Division C**

**Foundations**

**Chapter VIII**

**Founding a Foundation**

**Section 86. Founders**

(1) A foundation may be established by one or several persons.

(2) If a foundation has several founders, they shall implement their founders’ rights only jointly.

(3) Persons who have granted property to a foundation after the making of the entry thereof into the Register shall not be considered to be founders.

(4) The status of a founder is not inheritable and it cannot be transferred to third persons. The provisions of Section 27 of this Law shall be applied if a founder has undertaken obligations before the making of an entry into the Register.

**Section 87. Basis for Founding**

A foundation shall be established on the basis of a person’s decision on founding of the foundation or a last will and testament.

**Section 88. Decision on Founding of a Foundation**

The provisions of Section 24 shall apply to the decision on founding of a foundation.

**Section 89. Founding of a Testamentary Foundation**

(1) In establishing a foundation for the purposes of general good and charity on the basis of a will (testamentary foundation), the provisions of the Civil Law are applicable, insofar as this Law does not specify otherwise.

(2) If a will does not contain the information referred to in Section 24 of this Law, the articles of association of the foundation have not been drawn up or the members of the executive board have not been appointed, the executor of the will, an heir or a trustee (Section 469 of the Civil Law) shall perform the relevant activities (the drawing up of the articles of association, the appointment of members of the executive board). In carrying out the activities referred to in this Section, the executor, heir or trustee of the will must comply with the will of the testator to the extent possible.

(3) The executor, heir or trustee of a will shall exercise the rights of a founder, manage the property transferred to the foundation to be established, as well as perform other activities specified in law until the appointment of the members of the executive board.

(4) The full powers of the executor, heir or trustee of a will specified in this Section shall terminate from the day when the foundation is entered into the Register.

**Section 90. Articles of Association of a Foundation**

(1) The articles of association of a foundation shall specify:

1) the name of the foundation;

2) the goal of the foundation;

3) the procedures by which property is transferable to a foundation;

4) the procedures for the use of the resources of the foundation;

5) the period of activity of the foundation (if a foundation is being established for a specified period of time);

6) the procedures for distribution of the property of the foundation in case of liquidation of the foundation;

7) the procedures for the appointment and dismissal of members of the executive board, numerical composition, representation rights and term of office thereof;

8) the procedures for the appointment and dismissal of members of other administrative bodies (if such are provided for) and the term of office thereof;

9) the structure, procedures for election, competence, procedures for the taking of decisions and terms of office of audit institutions of economic and financial activity or the procedures for the appointing and terms of office of a certified auditor;

10) the cases and procedures for making of amendments to the articles of association.

(2) Other provisions may be provided for in the articles of association which are not in contradiction with law. If the articles of association are in contradiction with law, the provisions of law are applicable.

(3) The articles of association shall be signed by all founders of a foundation or by at least two authorised representatives thereof, but upon establishing a testamentary foundation – the executor of the will, heir or trustee.

[*21 January 2010; 21 October 2010*]

**Section 91. Beneficiaries and Limitations to the Activities of a Foundation**

(1) The range of beneficiaries may be provided for in the articles of association. In case of doubt a person to whom monies from the property of a foundation may be disbursed in accordance with the articles of association of the foundation is considered as a beneficiary.

(2) A foundation may not grant monies, provide guarantees, issue promissory notes to or otherwise finance founders, members of the executive board and other administrative bodies (if such have been established), as well as other persons who have a similar economic interest, especially spouses, relatives and brothers-in-law, sisters-in-law, counting kinship up to the second degree and affinity up to the first degree.

**Section 92. Application for the Entering of a Foundation into the Register**

(1) Founders shall submit to the Register authority an application for the entering of the foundation into the Register. The application shall indicate the information referred to in Section 15, Clauses 1–6 of this Law.

(2) An application shall be signed by all founders of a foundation or by at least two authorised representatives thereof, but upon establishing a testamentary foundation – the executor of the will, heir or trustee.

(3) The following shall be appended to an application:

1) the decision on founding;

2) the articles of association;

3) a written consent of each member of the executive board to be a member of the executive board.

(4) In establishing a testamentary foundation, instead of the decision on founding the extract of the accordingly certified will shall be appended, as well as documents certifying the authorisation of the trustee (Section 496 of the Civil Law) and the entering into effect of the will.

[*21 January 2010*]

**Chapter IX**

**Organisational Structure of a Foundation**

**Section 93. Administrative Bodies of a Foundation**

(1) The administrative body of a foundation is the executive board.

(2) The formation of other administrative bodies may be provided for in the articles of association, prescribing the procedures for the establishment and the competence thereof, as well as the granting of management competence to other entities or bodies thereof (hereinafter – other administrative bodies).

**Section 94. Executive Board**

(1) The provision of Sections 42–45 and Section 49 of this Law are applicable in respect of the executive board of foundation, unless it is otherwise determined in this Chapter.

(2) Limitations in respect of members of the executive board may be determined in the articles of association. The persons referred to in Section 89, Paragraph two of this Law may not be members of the executive board, unless it is otherwise specified in a will.

(3) The executive board shall consist of at least three members of the executive board. If, in accordance with the articles of association of a foundation, another administrative body has been established and is acting which consists of at least three members and the tasks of which include the supervision of the activities of the executive board, a single member may be in the composition of the executive board.

(4) The executive board shall comply in its activities with the goal of the foundation, the will of the testator specified in the decision of the founder or in the articles of association, the instructions of other administrative bodies (if the provision of such instructions has been determined in the articles of association), as well as the competence specified in law and the articles of association.

[*23 September 2004*]

**Section 95. Appointment, Recall and the Right to Leave Office of Members of the Executive Board**

(1) If a foundation is being established during the lifetime of a founder, the members of the executive board shall be appointed by the founder. If a testamentary foundation is being established – the members of the executive board shall be appointed by the persons referred to in Section 89, Paragraph two of this Law, except for the case if the members are appointed by a will.

(2) The decision on further amendments in the composition of the executive board as well as recall of the members of the executive board shall be taken in accordance with the procedures specified in the articles of association.

(3) A member of the executive board may at any time submit to the foundation a notification regarding the leaving of the office of the member of the executive board.

(4) Appointment of a member of the executive board or the termination of his or her authority shall be submitted for entering into the Register. If in accordance with the articles of association the decision on appointment of a member of the executive board or the termination of the authorisation thereof is taken by another administrative body, the decision of the relevant body as well as the written consent of the member of the executive board to be the member of the executive board shall be appended to the application. If a member of the executive board leaves office in accordance with Paragraph three of this Section, a notification by the relevant member of the executive board shall be appended to the application.

**Section 96. Remuneration and the Covering of Expenses**

(1) A member of the executive board shall perform his or her duties without remuneration, unless otherwise provided for in the articles of association.

(2) If the right of the member of the executive board to receive remuneration is provided for in the articles of association, the amount and the procedures for disbursement thereof shall be determined by the person or body having the right to appoint members of the executive board in accordance with the articles of association.

(3) A member of the executive board may request the covering of such expenses which have arisen in the course of the execution of his or her duties, unless otherwise provided for in the articles of association.

**Section 97. Taking of the Decisions of the Executive Board**

(1) The executive board shall have a quorum if more than one-half of the members of the executive board are present at a meeting thereof.

(2) The executive board shall take its decisions by a simple majority of the members of the executive board present, unless a higher voting majority is provided for in the articles of association.

(3) The executive board meetings shall be recorded in minutes. A protocol shall indicate:

1) the name of the foundation;

2) the place and time of the executive board meeting;

3) the participants at the meeting;

4) the issues on the agenda;

5) the procedure and course of discussion of the agenda;

6) the results of the voting, indicating the vote of each member of the executive board separately for each decision with an entry “for” or “against”;

7) the decisions taken.

(4) If a member of the executive board does not agree with a decision of the executive board and votes in opposition against it, the dissenting opinion of the member of the executive board shall be written into the minutes of the executive board meeting upon his or her request.

(5) The minutes of the executive board meeting shall be signed by the members of the executive board present at the meeting.

**Section 98. Other Administrative Bodies**

(1) If the formation of other administrative bodies or the granting of administrative competence to another entity or a body thereof is provided for in the articles of association, then such entity or body may take decisions only in the matters which are not within the competence of the executive board in accordance with law or the articles of association.

(2) In respect of a collegial administrative body, the provisions of Section 97 of this Law are applicable.

**Section 99. Limitations on Members of the Executive Board and Members of Other Administrative Bodies**

(1) If the interests of a foundation conflict with the interests of any member of the executive board or member of other administrative body, a spouse, a relative or brother-in-law, sister-in-law thereof, counting kinship up to the second degree and affinity up to the first degree, the matter shall be decided at the meeting of the body in which the member of the interested administrative body does not have the right to participate in a discussion of the matters, as well as he or she does not have a right to vote, and it shall be written into the minutes of the meeting of the administrative body. The member of the administrative body has a duty to notify regarding these interests before the meeting begins. The member of the administrative body has a duty to notify the administrative body regarding these interests also after the meeting of the body.

(2) A member of the administrative body who has violated the provisions specified in Paragraph one of this Section has a duty to reimburse the losses incurred to the foundation.

**Chapter X**

**Annulment and Amending of the Decision on Founding and of the Articles of Association**

**Section 100. Annulment and Amending of the Decision on Founding and the Articles of Association before the Entering of a Foundation into the Register**

(1) A founder may annul or amend the decision on founding or the articles of association.

(2) In case of the death of a founder who is a natural person or in case of the termination of a founder which is a legal person, the remaining founders do not have the right to annul the decision on founding, unless it is otherwise provided for in the decision on founding or another agreement of the founders.

**Section 101. Amending of the Articles of Association after the Entering of a Foundation into the Register**

(1) Only the executive board may make amendments to the articles of association after the entering of a foundation into the Register. The executive board may make amendments to the articles of association only in the cases specified in the articles of association or if the need for the amendments is justified in that the conditions from which the goals of the foundation arose have changed.

(2) It may be provided for in the articles of association that the making of amendments to the articles of association requires the consent of another administrative body.

(3) Amendments to the articles of association shall come into effect at the time of the taking thereof, unless it is otherwise specified in a decision, but in respect of third persons – only after the registration of the amendments to the articles of association in the Register.

(4) In notifying the Register authority of the amendments to the articles of association, the minutes of the executive board meeting with the decision on making of the amendments to the articles of association, a document certifying the consent of another administrative body for the making of the amendments (if such is provided for in the articles of association) and the full text of the articles of association in the new wording shall be appended.

**Chapter XI**

**Annual Statement and Control of a Foundation**

**Section 102. Annual Statement of a Foundation**

The executive board shall prepare and submit the annual statement of a foundation after the end of the reporting year in accordance with the provisions of Section 52 of this Law.

**Section 103. Control Rights of Donors**

Persons who make donations to a foundation may at any time verify the activities of the foundation as well as become acquainted with all documents, except for accounting records and information regarding other persons who have donated to the foundation.

**Chapter XII**

**Prohibition for a Foundation to Carry out Public Activities or Other Activities, Termination, Liquidation and Reorganisation of Activities of a Foundation**

[*2 November 2017*]

**Section 104. Basis for the Termination of Activities of a Foundation**

The activities of a foundation shall be terminated:

1) by a court ruling;

2) upon expiry of the time period (if a foundation has been established for a specified period of time);

21) by a decision of the executive board;

3) upon commencing bankruptcy procedures of the foundation;

31) by a decision of the Register authority;

32) by a decision of the State Revenue Service;

4) on another basis specified in law or the articles of association.

[*21 January 2010; 22 February 2024 / Clauses 3.1 and 3.2 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 105. Termination of Activities of a Foundation by a Court Ruling**

(1) The activities of a foundation may be terminated on the basis of a decision of the court:

1) if the goal of the foundation has been achieved or the achievement thereof has become impossible and the right to amend the goals of the foundation has not been granted to the executive board in the articles of association or if the executive board does not receive the consent from the other administrative bodies for the amendment of the goals (unless it is otherwise provided for in the articles of association);

2) if the activities of the foundation endanger the State security, public safety or order, or are otherwise in contradiction with the Constitution, laws or other laws and regulations;

3) if the activities of the foundation do not correspond with the goals laid down in the articles of association;

4) if economic activity of a profit-making nature has become the basic activity of the foundation;

5) in other cases laid down in the law.

(2) An application for the termination of activities of a foundation shall be submitted by the executive board in the case referred to in Paragraph one, Clause 1 of this Section.

(3) An application to a court shall be submitted by the prosecutor or by the State Revenue Service in the cases referred to in Paragraph one, Clauses 2, 3, 4 and 5 of this Section if a foundation:

1) has failed to rectify the violations after receipt of the written warning of the State Revenue Service or prosecutor, or prosecutor’s submission within the time period laid down in the relevant warning or prosecutor’s submission. The time period for rectification of the violations shall be determined not shorter than 15 days and no longer than three months, except for the case referred to in Section 57.3 of this Law when the prosecutor determines the time period in the submission;

2) repeatedly commits a violation within a year after receipt of a warning, especially in the public activities thereof;

3) has violated the prohibition laid down in Section 10, Paragraph 1.1 of this Law;

4) has not performed the additional obligations imposed in accordance with Section 10.1, Paragraph one of this Law.

(4) A court, taking into account the severity and consequences of the violations committed by a foundation, as well as in evaluating the goals of the association and the activities as a whole, may limit itself to a warning to the foundation without terminating the activities thereof.

(5) The provisions of Sections 57.1, 57.2 and 57.3 of this Law shall be applied in respect of the prohibition for a foundation to carry out public activities or other activities, and also the termination of activities of a foundation by the court ruling if the activities of the foundation endanger the State security or public safety.

[*2 November 2017*]

**Section 105.1 Termination of Activities of a Foundation by a Decision of the Executive Board**

(1) The decision of the executive board on termination of activities of a foundation shall be considered to be taken if more than two-thirds of the members of the executive board have voted in favour thereof and if the articles of association do not provide for a greater majority of votes.

(2) It may be provided for in the articles of association that the decision on termination of activities of a foundation requires the consent of another administrative body.

[*21 January 2010*]

**Section 106. Termination of Activities of a Foundation upon Commencing Bankruptcy Proceedings**

The procedures by which the activities of a foundation shall be terminated in case of bankruptcy are regulated by the Insolvency Law.

[*21 January 2010*]

**Section 106.1 Termination of Activities of a Foundation by a Decision of the Register Authority or the State Revenue Service**

The provisions of Chapter VI of this Law regarding the termination of activities of an association by a decision of the Register authority or the State Revenue Service are applicable correspondingly to foundations, unless otherwise provided for in this Chapter.

[*22 February 2024* / *Section shall come into force from 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 107. Liquidation of a Foundation**

(1) The provisions of Chapter VI of this Law regarding the liquidation of an association are applicable correspondingly to foundations, unless it is otherwise determined in this Section.

(11) In the case referred to in Section 56.1 of this Law, liquidation of the foundation shall not take place and the Register authority shall take the decision to exclude the foundation from the Register if none of the persons interested in liquidation of the foundation submits the application for appointing a liquidator to the Register authority in accordance with Section 59.1 of this Law and insolvency proceedings have not been declared in relation to the foundation.

(2) Liquidation shall be performed by the members of the executive board, unless otherwise provided for in the articles of association. If liquidation is being carried out by other persons who are not members of the executive board, the procedures for the appointing of these liquidators shall be laid down in the articles of association.

(3) If the activity of a foundation terminates due to the circumstances referred to in Section 104, Clauses 2, 2.1, and 4 of this Law, the executive board shall submit to the Register authority an application for the termination of activities of the foundation. Information on the given name, surname, and the personal identity number (if none – the date of birth, the number and date of issuance of a personal identification document, the country and authority that has issued the document) of the liquidator shall be indicated in the application.

(31) A written consent of each liquidator to be a liquidator shall be appended to the application. In the written consent the liquidator shall indicate the name and registration number of the foundation for which he or she agrees to become a liquidator.

(4) If the activities of a foundation are terminated on the basis of a court ruling, the court shall send the relevant ruling for the making of an entry into the Register. The liquidator shall submit to the Register authority the information referred to in the second sentence of Paragraph three and Paragraph 3.1 of this Section within three days after entering into effect of the ruling.

(5) If liquidation is being performed by the members of the executive board, this fact shall be indicated in the application or in the court ruling and the information referred to in Paragraph 31 of this Section need not be appended thereto.

(6) A liquidator may be removed only by the court ruling on the basis of an application by an interested person if there is good cause, appointing another liquidator simultaneously.

(7) The decision on continuation of activities of a foundation shall be taken by the executive board or by other administrative bodies provided for in the articles of association.

[*21 January 2010; 21 October 2010; 22 February 2024* / *Paragraph 1.1 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 108. Financial Report and Division of Property for the Closing of a Foundation**

(1) After satisfying the claims of creditors or depositing the money intended therefor and the covering of liquidation costs, the liquidator shall prepare a financial report for the closing of a foundation, by applying the provisions of Section 66 of this Law relevantly, and shall divide the remainder of the property of the foundation amongst the persons who have the right to referred to property in accordance with the articles of association, unless it is otherwise prescribed in law. The property shall be divided into equal parts amongst these persons, unless otherwise provided for in the articles of association.

(2) If the activities of the foundation have been terminated in accordance with the provisions of Section 105, Paragraph one, Clause 2, 3, 4, or 5 of this Law, the foundation’s remaining property falls within the jurisdiction of the State after the covering of liquidation expenses and the satisfaction of the claims of creditors.

(21) The division of property of a foundation which is a public benefit organisation, as well as such of such foundation for which the status of a public benefit organisation has been removed, but which during the previous calendar year before the commencement of the liquidation has received donations as a public benefit organisation, in case of liquidation shall be carried out in compliance with the Public Benefit Organisation Law.

(22) The property which has remained after exclusion of the foundation from the Register in accordance with the procedures laid down in Section 107, Paragraph 1.1 falls within the jurisdiction of the State.

(3) The property of a foundation may not be divided amongst the founders, the members of the executive board or other administrative bodies, nor amongst other persons with similar economic interests, especially spouses, relatives and brothers-in-law, sisters-in-law, counting kinship up to the second degree and affinity up to the first degree.

[*21 January 2010; 15 December 2011; 22 February 2024* / *Paragraph 2.2 shall come into force on 1 July 2024. See Paragraph 13 of Transitional Provisions*]

**Section 109. Reorganisation of a Foundation**

(1) The provisions of this Law regarding the reorganisation of an association are applicable correspondingly to foundations, unless it is otherwise determined in this Section.

(2) Reorganisation may be carried out only in the cases specified in the articles of association. The reorganisation of a testamentary foundation is not permitted.

(3) The decision on reorganisation shall be taken by the executive board of each foundation involved in the reorganisation process. It may be provided for in the articles of association that the decision on reorganisation requires the consent of another administrative body. The decision on reorganisation shall be considered to be taken if more than two-thirds of the members of the executive board vote in favour thereof and if a greater majority of votes has not been provided for in the articles of association. The decision shall be prepared as a separate document.

(4) The following shall be included in a reorganisation agreement:

1) the name, the registration number and the legal address of the foundations involved in the reorganisation;

2) the consequences of the reorganisation in respect of employees of the foundations involved in the reorganisation process;

3) in the case of a division – the property to be transferred to each foundation.

(5) If in the process of a division no other already existing foundation is involved, the foundation to be split shall take the decision on division which shall replace the agreement referred to in this Section. The name, legal address of the acquiring foundation and information regarding the division of property of the foundation to be divided shall be indicated in the decision on division in addition to the information referred to in Paragraph three of this Section. The division of property act may be appended to the decision in the form of a separate document.

(6) A document which certifies consent for the reorganisation of the other administrative body shall be appended additionally to an application for the making an entry regarding reorganisation (if the provision of such consent is provided for in the articles of association).

**Transitional Provisions**

1. The procedures for the coming into force of this Law shall be prescribed by a special law.

2. Section 15, Clause 9; Section 19, Clause 2; Section 53, Clause 2; Sections 55 and 64; Section 104, Clause 3 and Section 106 of the Law shall come into force simultaneously with the law which regulates the insolvency of associations and foundations.

3. Amendment to Section 6, Paragraph three of this Law shall come into force concurrently with the amendments to the law On the Enterprise Register of the Republic of Latvia which, in the creation and registration of the name, provides for the compliance with a condition that the name applied for the registration may not match the name applied for entering or entered in the registers of the Register authority.

[*21 January 2010*]

4. Amendment to Section 6, Paragraph three of this Law regarding the distinction of the name from other names already entered in the registers of the Register authority shall not concern the right of associations and foundations to a name that is entered in the Register until the day of coming into force of these amendments.

[*21 January 2010*]

5. Amendments regarding supplementation of Section 68 of this Law with Paragraph 5.1 and supplementation of Section 108 with Paragraph 2.1 of this Law shall come into force on 1 July 2010.

[*21 January 2010*]

6. Amendment to this Law regarding the new wording of Section 52 that provided for associations and foundations, the turnover (income) of which from the economic transactions during the reporting year does not exceed 25 000 lats and which organise the accounting by the single entry system, to draw up, examine and submit to the State Revenue Service only separate parts of annual statement – statement on income and expenditure and statement on donations and gifts – shall be applicable to annual statements of associations and foundations to be submitted for 2012 and 2013. Annual statements of associations and foundations for the time period until 31 December 2011 shall be submitted to the State Revenue Service in compliance with the requirements of the laws and regulations that were in force until 31 December 2011.

[*15 December 2011; 12 September 2013; 3 October 2013*]

7. [3 October 2013]

8. Until the day when such laws and regulations have come into force which provide for certain fields of activities of associations and foundations, the entry referred to in Section 15, Clause 3 of this Law on the field of activities of an association or foundation shall be made only on the employers’ organisations and associations thereof which have been established in accordance with the Employers’ Organisations and their Associations Law on the basis of the relevant application of the employers’ organisation or association of employers’ organisation on entering the employers’ organisation or association of the employers’ organisation in the Register of Associations and Foundations, and also – after coming into force of the Law on Trade Unions – on trade unions and associations thereof.

[*3 October 2013*]

9. The entry regarding the field of activities of an association referred to in Section 15, Clause 3 of this Law in respect of those associations which have been established and operate in accordance with the Employers’ Organisations and their Associations Law and have been entered in the Register of Associations and Foundations until the day of coming into force of Section 15, Clause 3 of this Law shall be made on the basis of the relevant application of the employers’ organisation or association of employers’ organisation in which it attests for its conformity with the field of activities of the employers’ organisation or association of the employers’ organisation.

[*3 October 2013*]

10. The Cabinet shall issue the regulations referred to in Section 13, Paragraph three of this Law by 2 July 2014.

[*3 October 2013*]

11. Section 12.1 and also the amendments to Section 13 and Section 15, Clause 3 of this Law in respect of the mandatory indication of the field of activity of associations and foundations shall come into force on 1 July 2024.

[*22 February 2024*]

12. Section 37.1 of this Law in respect of remote participation and voting in the meeting of members shall come into force on 1 July 2024.

[*22 February 2024*]

13. Section 19, Clause 5, Section 53, Clauses 4.1 and 4.2, Section 56.1, Section 58, Paragraph three, Section 59, Paragraph 3.1, Section 59.1, Section 60, Paragraph four, Section 61, Paragraph 3.1, Section 68, Paragraph 5.2, Section 104, Clauses 3.1 and 3.2, Section 106.1, Section 107, Paragraph 1.1, and Section 108, Paragraph 2.2 of this Law regarding the termination of activities of associations and foundations by a decision of the Register authority or the State Revenue Service shall come into force on 1 July 2024.

[*22 February 2024*]

14. Those associations and foundations which are entered in the Register of Associations and Foundations before 30 June 2024 shall indicate their field of activity when submitting the annual statement for 2024 in the Electronic Declaration System of the State Revenue Service.

[*22 February 2024*]

15. The Cabinet shall, by 30 June 2024, issue the regulations referred to in Section 12.1 of this Law.

[*22 February 2024*]

**Informative Reference to European Union Directives**

[*2 November 2006; 16 June 2011*]

This Law contains legal norms arising from:

1) Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin;

2) Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation;

3) Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services;

4) Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation;

5) Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals;

6) Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC.

This Law shall enter into force on 1 April 2004.

This Law has been adopted by the *Saeima* on 30 October 2003.

President V. Vīķe-Freiberga

Rīga, 14 November 2003