

(RUSSIA) FEDERAL LAW NO. 7-FZ OF JANUARY 12, 1996 ON NON-PROFIT ORGANISATIONS

Chapter I. General Provisions

Federal Law No. 18-FZ of January 10, 2006 amended Article 1 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 1. The Object of Regulation and the Sphere of Effect of the Present Federal Law

1. The present Federal Law shall determine the legal status, the procedure for creation, activity, reorganization and liquidation of non-profit organizations as juridical persons, the formation and use of the property of non-profit organizations, the rights and duties of their founders (participants), the bases of the management of non-profit organizations and the possible forms of their support by the bodies of State Power and the local self-government bodies.

2. The present Federal Law shall be applicable with respect to all non-profit organizations which have been or are being created on the territory of the Russian Federation unless otherwise laid down by the present Federal Law and any other federal laws.

2.1. This Federal Law shall determine a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations.

2.2. The provisions of this Federal Law that determine a procedure for the establishment and functioning on the territory of the Russian Federation of structural subdivisions of foreign non-profit non-governmental organizations shall apply to structural subdivisions of international organizations (associations), insofar as they do not contravene international treaties made by the Russian Federation. Federal Law No. 278-FZ of November 29, 2007 reworded Item 3 of Article 1 of this Federal Law
See the Item in the previous wording

3. The present Federal Law shall not extend to consumer cooperatives, partnerships of apartment owners, fruit gardens, vegetable gardens and allotment garden non-profit associations of citizens. On the partnership of home-owners, see the Housing Code of the Russian Federation No. 188-FZ of December 29, 2004

On gardening, vegetable-growing and country cottage non-profit associations of citizens, see Federal Law No. 66-FZ of April 15, 1998

On the agricultural consumer cooperatives, see the Federal Law No. 193-FZ of December 8, 1995

4. Article 13 - 19 , 21 - 23 , 28 -30 of the present Federal Law shall not extend to religious organizations.

5. The operation of this Federal Law shall not extend to state power bodies, other state bodies, local self-government bodies, as well as to state and municipal institutions, if not otherwise established by a

federal law.

Federal Law No. 18-FZ of January 10, 2006 amended Article 2 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 2. A Non-profit Organization

1. A non-profit organization is one not having profit-making as the main objective of its activity and not distributing the earned profit among the participants.

2. Non-profit organizations may be created for achieving social, charitable, cultural, educational, scientific and managerial goals, for the purposes of protecting the health of citizens, developing the physical culture and sports, satisfying the spiritual and other nonmaterial requirements of citizens, protecting the rights and legitimate interests of citizens and organizations, settling disputes and conflicts, rendering legal aid, and also for any other purposes directed towards the achievement of public weal.

Federal Law No. 107-FZ of June 3, 2009 amended Item 3 of Article 2 of this Federal Law

See the Item in the previous wording

3. Non-profit organizations may be created in the form of social or religious organizations (combinations), communities of the aboriginal small peoples of the Russian Federation, Cossack communities, non-profit partnerships, institutions, autonomous non-profit organizations, social, charitable and any other funds, associations and unions, and also in any other forms stipulated by the federal laws.

4. A foreign non-profit non-governmental organization in this Federal Law shall mean an organization for which profit making is not the principal goal of its activities, which does not distribute derived profits to participants thereof, which is established outside the Russian Federation in compliance with the legislation of a foreign state, which is not founded by state bodies and in which they do not participate.

5. A foreign non-profit non-governmental organisation shall exercise its activities on the territory of the Russian Federation through its structural subdivisions, that is, branches, affiliates and representative offices.

A structural subdivision which is a branch of a foreign non-profit non-governmental organization shall be deemed a form of a non-profit organization and shall be subject to state registration in the procedure provided for by Article 13.1 of this Federal Law.

Structural subdivisions which are affiliates and representative offices of foreign non-profit non-governmental organizations shall become legally capable on the territory of the Russian Federation as of the date of entering to the register of affiliates and representative offices of international organizations and foreign non-profit nongovernmental organizations data of the appropriate structural subdivision in the procedure provided for by Article 13.2 of this Federal Law.

Federal Law No. 175-FZ of November 3, 2006 amended Article 3 of this Federal Law. The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Article in the previous wording

Article 3. Legal Status of Non-profit Organizations

1. A non-profit organization shall be deemed to have been created as a juridical person from the moment of its State registration in the statutory procedure, it shall have separate property in ownership or in operating management, it (with the exception of the private institutions) shall be liable with that property for its obligations, may in its name acquire and exercise property and nonproperty rights, perform duties, sue and be sued in court.

A non-profit organization must have an independent balance or estimate.

2. A non-profit organization shall be created without limitation of the period of activity, unless otherwise laid down by the constituent documents of the non-profit organization.

3. A non-profit organization may in the established procedure open accounts at banks on and outside the territory of the Russian Federation.

4. A non-profit organization shall have a seal with the full designation of the said non-profit organization in the Russian language.

A non-profit organisation may have stamps and forms with its designation, and also an emblem registered in the established procedure.

Article 4. Designation and Location of a Non-profit Organization

1. A non-profit organization shall have a designation containing an indication of its legal organizational form and of the character of its activity.

A non-profit organization whose designation has been registered in the established procedure shall have an exclusive right of using it.

Federal Law No. 31-FZ of March 21, 2002 amended Item 2 of Article 4 of this Federal Law. The amendments shall enter into force as of July 1, 2002

See the previous text of the Item

2. The location of a non-profit organization shall be determined by the place of its State registration.

3. The designation and the location of a non-profit organization shall be indicated in its constituent documents.

Article 5. Branches and Representative Offices of a Non-profit Organization

1. A non-profit organization may create branches and open representative offices on the territory of the Russian Federation in accordance with the legislation of the Russian Federation.

2. A branch of a non-profit organisation shall be deemed to be its isolated unit situated outside the location of the non-profit organisation and performing all its functions or a part thereof, including the functions of a representative office.

3. A representative office of a non-profit organization shall be deemed to be an isolated unit situated outside the location of the non-profit organization which unit represents the interests of the non-profit organization and carries out its protection.

4. A branch and a representative office of a non-profit organization shall not be juridical persons, they

shall be vested with the property of the non-profit organization which has created them and shall act on the basis of the Regulations approved by the said organization. The property of the branch or representative office shall be recorded on a separate balance sheet and on the balance sheet of the non-profit organization which has created them.

The heads of a branch and a representative office shall be appointed by the non-profit organization and shall act on the basis of a proxy issued by the non-profit organization.

5. A branch and a representative office shall carry out activity in the name of the non-profit organization which has created them. The responsibility for the activity of its branch and representative office shall be borne by the non-profit organization which has created them.

Chapter II. Forms of Non-profit Organizations

Article 6. Social and Religious Organizations (Combinations)

1. Social and religious organizations (combinations) shall be deemed to be voluntary combinations of citizens who have combined in the statutory procedure on the basis of the community of their interests for the satisfaction of their spiritual or any other nonmaterial requirements.

Social and religious organizations (combinations) may carry on business activity corresponding to the objectives for the achievement of which they have been created.

2. The participants (members) of social and religious organizations (combinations) shall not retain the rights to the property transferred by them in ownership to the said organizations, including the right to the membership fees. The participants (members) of social and religious organizations (combinations) shall not be liable for the obligations of the said organizations (combinations), and the latter shall not be liable for the obligations of their members.

Federal Law No. 174-FZ of November 26, 1998 amended Item 3 of Article 6 of this Federal Law
See the previous text of the Item

3. The peculiarities of the legal status of social organizations (combinations) shall be determined by other federal laws.

See also:

Federal Law No. 156-FZ of November 27, 2002 On Employers' Associations

Federal Law No.95-FZ of July 11, 2001 on Political Parties

the Federal Law No. 82-FZ of May 19, 1995 on Public Associations

the Federal Law No. 135-FZ of August 11, 1995 on the Charitable Activity and the Charitable Organizations

Federal Law No. 174-FZ of November 26, 1998 reworded Item 4 of Article 6 of this Federal Law
See the previous text of the Item

4. The peculiarities of the legal status, formation, reorganization and liquidation of religious organizations, the management of religious organizations shall be defined by a federal law on religious associations.

Federal Law No. 300-FZ of December 1, 2007 supplemented this Federal Law with Article 6.1

Article 6.1. The Communities of the Aboriginal Small Peoples of the Russian Federation

1. The communities of the aboriginal small peoples of the Russian Federation (hereinafter referred to as the community of small peoples) shall be recognised to mean the forms of the

self-organisation of the persons relating to native small peoples of the Russian Federation, and united according to the blood relationship (family or kind) and/or territorial and neighbourhood principles, for the purpose of protecting their long-standing habitat, conserving and developing the traditional way of life, economic management, sea fishery or fur trade and culture.

2. The community of small peoples shall have the right to engage in business that meets the purposes for the attainment of which it was set up.

3. The members of the community of small peoples shall have the right to receive a part of its property or the compensation of the value of such a part when they leave the community of small peoples or when it is liquidated.

The procedure for determining a part of the property of the community of small peoples or the compensation of the value of this part shall be established by the legislation of the Russian Federation on the communities of small peoples.

4. The special aspects of the legal status of the communities of small peoples, of their creation, reorganisation or liquidation and the management of the communities of small peoples shall be determined by the legislation of the Russian Federation on the communities of small peoples.

Federal Law No. 107-FZ of June 3, 2009 supplemented this Federal Law with Article 6.2

Article 6.2. Cossack Communities

1. Cossack communities are deemed to be forms of self-organisation of citizens of the Russian Federation who have united on the basis of common interests for the purpose of reviving the Cossacks, protecting their rights and preserving the traditional way of life, management and culture of the Russian Cossacks Cossack. Cossack communities shall be created in the form of khutor (farmstead), stanitsa (village), town, district (yurt), circuit (division) and army Cossack communities, whose members assume, in the established procedure, obligations to do state or other service. Cossack communities shall be subject to entering in the State Register of Cossack Communities in the Russian Federation.

2. A Cossack community may carry out business activity conforming to the purposes for whose achievement it has been created.

3. Property transferred to a Cossack community by its members and also property acquired at the expense of incomes from its activity, shall be property of the Cossack community. Members of a Cossack community shall not be responsible for its liabilities and the Cossack community shall not be responsible for the liabilities of its members.

4. The peculiarities of the legal status of Cossack communities, of their creation, reorganisation and liquidation, and of the management of Cossack communities, shall be determined by legislation of the Russian Federation.

Article 7. Funds

See also Federal Law No. 75-FZ of May 7, 1998 on Non-State Pensions Funds

1. For purposes of the present Federal Law, a fund shall be deemed to be a membershipless non-profit organization set up by citizens and/or juridical persons on the basis of voluntary property contributions and pursuing social, charitable, cultural, educational or any other socially useful objectives.

The property transferred to the fund by its founder(s) shall be the fund's ownership. The founders

shall not be liable for the obligations of the fund created by them, and the fund shall not be liable for the obligations of its founders.

2. The fund shall use the property for the objectives determined by the charter of the fund. The fund may engage in business activity corresponding to the said objectives and necessary for achieving the socially useful objectives for the sake of which the fund has been created. To carry on the business activity, the funds may create economic societies or participate therein. The fund must publish annually reports on the use of its property.

3. The Board of Guardians of the fund shall be a body of the fund and shall supervise the fund's activity, the adoption of decisions by the other bodies of the fund and the ensuring of their execution, the use of the fund's means, and the observance of the legislation of the fund.

The fund's Board of Guardians shall carry on its activity on a voluntary basis.

The procedure for the formation and activity of the fund's Board of Directors shall be determined by the fund's charter approved by its founders.

Federal Law No. 68-FZ of May 13, 2008 supplemented Article 7 of this Federal Law with Item 4

4. Specific features of the setting up and operation of individual funds may be established under federal laws on those funds.

Federal Law No. 140-FZ of July 8, 1999 supplemented this Federal Law with Article 7.1

Article 7.1. State Corporation

Federal Law No. 83-FZ of May 17, 2007 amended Item 1 of Article 7.1 of this Federal Law

See the Item in the previous wording

1. The "state corporation" is a non-commercial organization without membership founded by the Russian Federation on the basis of a property contribution and set up to pursue social, managerial and other functions of public use. The state corporation shall be set up under a federal law.

The assets handed over to the state corporation by the Russian Federation shall be property of the state corporation.

The state corporation shall not be liable for the obligations of the Russian Federation and the Russian Federation shall not be liable for the obligations of the state corporation, except as otherwise provided in the law whereby the state corporation is formed.

In the cases and in the procedure which are set up by the Federal Law providing for the establishment of a state corporation, the authorised capital thereof may be formed on account of a part of its property. The authorised capital shall define the minimum rate of a state corporation's property guaranteeing its creditors' interests.

2. The state corporation shall use property for the purposes specified by the law whereby the state corporation is formed. The state corporation may pursue entrepreneurial activity only insofar as it serves the attainment of the goals for which it has been set up and insofar as it complies with these goals.

The state corporation shall publish annual reports on the uses of its assets in keeping with the law whereby the state corporation is formed.

3. The peculiarities of the legal status of the state corporation shall be defined by the law whereby the state corporation is formed. To set up a state corporation no constituent documents shall be needed as required by Article 52 of the Civil Code of the Russian Federation.

The law whereby a state corporation is formed must provide the name of the state corporation, goals of its activities, place where it is located, procedure for managing its activities (including the managerial bodies of the state corporation and procedure for setting up these bodies, procedure for appointing and dismissing the officials of the state corporation), procedure for reorganizing and liquidating the state corporation and procedure for using the assets of the state corporation in the event of the liquidation thereof.

4. The provisions of the present Federal Law shall apply to the state corporation, except as otherwise provided in the present article or the law whereby the state corporation is formed.

Federal Law No. 148-FZ of July 22, 2008 amended Article 8 of this Federal Law

See the Article in the previous wording

Article 8. Non-profit Partnerships

1. A non-profit partnership shall be deemed to be a membership-based non-profit organization set up by citizens and/or juridical persons for assisting its members in the conduct of the activity directed towards the achievement of the objectives stipulated by Item 2 of Article 2 of the present Federal Law.

The property transferred to a non-profit partnership by its members shall be the partnership's ownership. The members of a non-profit partnership shall not be liable for its liabilities, and a non-profit partnership shall not be liable for the obligations of its members, if not otherwise established by federal law.

2. A non-profit partnership may carry on business activity corresponding to the objectives for the achievement of which it has been created, except if a non-profit partnership has acquired the status of a self-regulating organisation.

3. The members of a non-profit partnership may:

participate in managing the affairs of the non-profit partnership;

receive information on the activity of the non-profit partnership in the procedure established by the constituent documents;

leave the non-profit partnership at their own discretion;

unless otherwise established by the federal law or by the constituent documents of the non-profit partnership, receive, when leaving the non-profit partnership, a part of its property or the cost thereof within the limits of the cost of the property transferred by the members of the non-profit partnership to its ownership, with the exception of the membership fees, in the procedure stipulated by the constituent documents of the non-profit partnership;

receive, in case the non-profit partnership is liquidated, a part of its property remaining after the settlements with the creditors, or the cost of the said property within the limits of the cost of the property transferred by the members of the non-profit partnership in its ownership, unless otherwise stipulated by the federal law or the constituent documents of the non-profit partnership.

4. A member of a non-profit partnership may be expelled therefrom by a decision of the remaining members in the cases and in the procedure which have been stipulated by the constituent documents of the non-profit partnership, except if a non-profit partnership has obtained the status of a self-regulating organisation.

A member of a non-profit partnership expelled therefrom may receive a part of the property of the

non-profit partnership or of the cost of the said property in accordance with paragraph five of Item 3 of the present Article, except if a non-profit partnership has obtained the status of a self-regulating organisation.

5. The members of a non-profit partnership may also have certain other rights stipulated by its constituent documents and not contrary to the legislation.

Federal Law No. 175-FZ of November 3, 2006 reworded Article 9 of this Federal Law. The new wording shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Article in the previous wording

Article 9. Private Institutions

1. As a private institution shall be recognised a non-profit institution created by the owner (by a citizen or by a legal entity) for the discharge of managerial, socio-cultural or other functions of non-profit character.

2. The property of a private institution shall be assigned to it by the right of operative management in conformity with the Civil Code of the Russian Federation.

3. The procedure for the financial provision for the private institution's activity and the private institution's rights to the property assigned to it by the owner, as well as to the property acquired by the private institution, shall be defined in conformity with the Civil Code of the Russian Federation.

Article 10. Autonomous Non-profit Organization

1. An autonomous non-profit organization shall be deemed to be a membershipless non-profit organization set up by citizens and/or juridical persons on the basis of voluntary property contributions for the purposes of granting certain services in the field of education, public health, culture, science, law, physical culture and sports, or any other services.

The property transferred to an autonomous non-profit organization by its founder(s) shall be the ownership of the said non-profit organization. The founders of the autonomous non-profit organization shall not retain the rights to the property transferred by them in ownership of the said organization. The founders shall not be liable for the obligations of the non-profit organization created by them, and the organization shall not be liable for the obligations of its founders.

2. An autonomous non-profit organization may carry on business activity corresponding to the objectives for the achievement of which the said organization has been created.

3. The activity of autonomous non-profit organization shall be supervised by its founders in the procedure stipulated by its constituent documents.

4. The founders of an autonomous non-profit organization may use its services only on equal conditions with any other persons.

On the autonomous non-profit organisation "Steering Committee of the XXII Olympic and XI Paralympic Games of 2014 in the town of Sochi", see Federal Law No. 310-FZ of December 1, 2007

Article 11. Combinations of Juridical Persons (Associations and Unions)

1. Profit-making organizations, for the purposes of coordinating their business activity, and also of representing and protecting their common property interests, may by an agreement between themselves create combinations in the form of associations or unions that are non-profit organizations.

Where by decision of the participants an association (union) is vested with carrying on business activity, such association (union) shall be transformed into an economic society or partnership in the procedure stipulated by the Civil Code of the Russian Federation, or it may create for carrying on business activity an economic society or participate in such society.

2. Non-profit organizations may voluntarily combine in associations (unions) of non-profit organizations.

An association (union) of non-profit organizations shall be a non-profit organization.

3. The members of an association (union) shall retain their independence and the rights of a juridical person.

4. An association (union) shall not be liable for the obligations of its members. The members of an association (union) shall bear subsidiary responsibility for the obligations of the said association (union) at the rate and in the procedure stipulated by its constituent documents.

5. The designation of an association (union) must contain an indication of the main object of the activity of the members of the association (union) with the inclusion of the words "association" or "union".

Article 12. Rights and Duties of the Members of Associations and Unions

1. The members of an association (union) may use the services of the latter free of charge.

2. An association (union) member may leave the association (union) at his discretion upon the termination of the financial year. In such case the association (union) members shall bear the subsidiary responsibility for its obligations proportionally to his contribution during two years from the moment of the withdrawal.

A member of an association (union) may be expelled therefrom by decision of the remaining members in the cases and in the procedure established by the constituent documents of the association (union) member, there shall be applicable the rules concerning the withdrawal from the association (union).

3. A new member may join an association (union) with the consent of its members. The joining of the association (union) by a new member may be conditioned with his subsidiary responsibility for the association's (union's) obligations that arose before he joins it.

Chapter III. Creation, Reorganization and Liquidation of a Non-profit Organization

Article 13. Creation of a Non-profit Organization

1. A non-profit organization may be created as a result of establishing it, and also as a result of reorganizing an existing non-profit organization.

2. The creation of a non-profit organization as a result of establishing it shall be carried out by a decision of the founder(s).

Federal Law No. 18-FZ of January 10, 2006 supplemented this Federal Law with Article 13.1. The Article shall come into force upon the expiry of ninety days as of the date of the official publication of

said Federal Law

Article 13.1. State Registration of Non-Profit Organisations

1. A non-profit organization shall be subject to state registration in compliance with Federal Law No. 129-FZ of August 8, 2001 on the State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the Federal Law on State Registration of Legal Entities and Individual Businessmen) taking into account the procedure for state registration of non-profit organizations established by this Federal Law.

2. A decision on state registration (on the refusal to effect state registration) of a non-profit organization shall be rendered by the federal executive body authorised in the area of registration of non-profit organizations (hereinafter referred to as the authorized body) or by a territorial body thereof.

Federal Law No. 160-FZ of July 23, 2008 amended Item 3 of Article 13.1 of this Federal Law. The amendments shall enter into force from January 1, 2009

See the Item in the previous wording

3. Data on the establishment, reorganization and liquidation of non-profit organizations, as well as other data provided for by the federal laws, shall be entered to the Unified State Register of Legal Entities by the federal executive body authorised in compliance with Article 2 of the Federal Law on State Registration of Legal Entities and Individual Businessmen (hereinafter referred to as the registering body) on the basis of a decision on state registration rendered by the authorized body or by a territorial agency thereof. Forms of the documents required for the appropriate state registration shall be determined by the federal executive body authorized by the Government of the Russian Federation.

4. The documents required for state registration of a non-profit organization shall be submitted to the authorized body or to a territorial agency thereof at the latest in three months as of the date of rendering a decision on the establishment of such organization.

5. The following documents shall be submitted to the authorised body or to a territorial body thereof for state registration of a non-profit organization when establishing it:

1) an application signed by an authorised person (hereinafter referred to as an applicant) with his family name, first name and patronymic, place of residence and contact telephones indicated therein;

2) three copies of the constituent documents of the non-profit organization;

3) two copies of the decision on the establishment of the non-profit organization and on the approval of the constituent documents thereof with the composition of its elected (appointed) bodies indicated therein;

4) information of the founders thereof in two copies;

5) the document proving payment of the state duty;

6) data on the address (location) of the permanent body of the non-profit organization used for communication with the non-profit organization;

7) in the event of using by the public association of the personal name of an individual or symbols protected by the laws of the Russian Federation on the protection of intellectual property or copyrights, as well as of the full denomination of another legal entity as part of its own name - the documents

confirming the authority to use them;

8) an extract from the register of foreign legal entities of the appropriate country of origin or the document of equal legal force that prove the legal status of the founder which is a foreign legal entity.

6. A decision on the state registration of a branch of a foreign non-profit non-governmental organization shall be rendered by the authorized body. The said decision shall be rendered on the basis of the documents submitted in compliance with Item 5 of this Article and attested by an authorised body of the foreign non-profit non-governmental organization, as well as on the basis of copies of the constituent documents, the registration certificate or other right-proclaiming documents of the foreign non-profit non-governmental organization.

7. The documents of foreign organizations must be submitted in the state (official) language of the appropriate foreign state, translated into Russian, properly attested and certified.

8. In the absence of the grounds for the refusal to effect the state registration of a non-profit organization established by Article 23.1 of this Federal Law, the authorised body or a territorial agency thereof at the latest in fourteen working days as of the date of receiving required documents shall decide on state registration of the non-profit organization and shall send to the registering body the data and documents required for the exercise by the registering body of its functions of keeping the Unified State Register of Legal Entities. The registering body on the basis of the said decision and the data and documents submitted by the authorised body or a territorial agency thereof shall make at the latest in five working days as of the date of receiving these data and documents the appropriate entry to the Unified State Register of Legal Entities and at latest on the working day following the date of making such entry shall report it to the body that has decided on the state registration of the non-profit organization. The body that has decided on state registration of a non-profit organisation at the latest in three working days as of the date of receiving from the registering body information on making an entry on the non-profit organization to the Unified State Register of Legal Entities shall issue to the applicant the state registration certificate.

See Administrative Rules of Procedure for the Exercise by the Ministry of Justice of the Russian Federation of the State Function of Making Decisions on the State Registration of Religious Organisations and Registration of Representative Offices of Foreign Religious Organisations, approved by Order of the Ministry of Justice of the Russian Federation No. 98 of March 31, 2009

9. A state duty shall be recovered for state registration of a non-profit organization in the procedure and in the amount that are provided for by the legislation of the Russian Federation on taxes and fees. Federal Law No. 18-FZ of January 10, 2006 supplemented this Federal Law with Article 13.2. The Article shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

Article 13.2. Notification on the Establishment on the Territory of the Russian Federation of an Affiliate of a Representative Office of a Foreign Non-Profit Non-Governmental Organisation

1. A foreign non-profit non-governmental organization within three months as of the date of deciding on the establishment on the territory of the Russian Federation of its affiliate or representative office shall

notify the authorised body of it.

2. A notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-profit non-governmental organization (hereinafter also referred to as the notification) shall be attested by the authorised body of the foreign non-profit non-governmental organisation and shall contain data on the founders thereof and on the address of its permanent governing body. The form of the notification shall be established by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice.

3. The following documents shall be attached to the notification:

- 1) the constituent documents of the foreign non-profit nongovernmental organization;
- 2) a decision of the governing body of the foreign non-profit nongovernmental organisation on establishing an affiliate or a representative office of the foreign non-profit non-governmental organisation;
- 3) the regulations on the affiliate or representative office of the foreign non-profit non-governmental organisation;
- 4) a decision on appointing the head of the affiliate or representative office of the foreign non-profit non-governmental organisation;
- 5) a document stating the aims and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organisation.

4. The notification and the documents attached thereto must be submitted in the state (official) language of the appropriate foreign state, translated into Russian and properly attested certified.

5. The data contained in the notification and the documents attached thereto shall form part of the register of affiliates and representative offices of international organizations and foreign non-profit non-governmental organizations (hereinafter also referred to as the register) which is kept by the authorised body.

6. The authorized body at the latest in thirty days as of the date of receiving the notification shall issue to the head of the appropriate affiliate or representative office of the foreign non-profit nongovernmental organization an extract from the register whose form shall be established by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice.

7. A foreign non-profit non-governmental organization may be denied entering data on an affiliate or representative office thereof to the register for the following reasons:

- 1) if the data or documents provided for by this Article are incomplete or these documents are not properly drawn up;
- 2) if it is found that the constituent documents submitted by the foreign non-profit non-governmental organization contain unreliable information;
- 3) if the goals and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organization contravene the Constitution of the Russian Federation and the legislation of the Russian Federation;
- 4) if the goals and tasks of establishing the affiliate or representative office of the foreign non-profit non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity, national unity and originality, cultural heritage and national interests of the Russian Federation;

5) if the affiliate or representative office of the foreign non-profit non-governmental organization that have been previously included into the register, are excluded from it in connection with a gross violation of the Constitution of the Russian Federation and the legislation of the Russian Federation.

8. In the event of a refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization for the reasons provided for by Subitems 1-3 , 5 of Item 7 of this Article, the applicant shall be notified thereof it in writing with an indication of the specific provisions of the Constitution of the Russian Federation and the legislation of the Russian Federation whose violation has entailed the refusal, and, in the event of refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization for the reasons provided for by Subitem 4 of Item 7 of this Article, the applicant shall be informed of the causes of the refusal.

9. A refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization may be appealed against with a superior body or court.

10. A refusal to enter to the register data on an affiliate or representative office of a foreign non-profit non-governmental organization shall not be an to a repeated submission of a notification, provided that the reasons for the refusal have been eliminated.

11. An affiliate or representative office of a foreign non-profit non-governmental organization shall become legally capable from the date of entering to the register data on the appropriate structural subdivision of the foreign non-profit non-governmental organization.

12. The head of this structural subdivision shall be obliged at the latest in twenty days as of the date of entering to the register data on the appropriate structural subdivision of a foreign non-profit nongovernmental organization to notify the authorized body of the address (location) of the affiliate or representative office and of the contact telephone numbers thereof.

13. Notifications on changes in the data contained in a notification on the establishment on the territory of the Russian Federation of an affiliate or representative office of a foreign non-profit non-governmental organization and in the documents attached thereto, as well as on changes in the data stated in Item 12 of this Article, shall be submitted in the procedure provided for by this Article.

Article 14. Constituent Documents of a Non-profit Organization

Federal Law No. 175-FZ of November 3, 2006 amended Item 1 of Article 14 of this Federal Law.

The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Item in the previous wording

1. The constituent documents of non-profit organizations shall be:

the Rules approved by the founders (by the partners or by the owner of the property) for a public organisation (association), for a fund, a non-profit partnership, a private institution and an autonomous non-profit organisation;

the constituent agreement concluded by their members and the charter approved by them, for an association or union;

The founders (participants) of non-profit partnerships, and also of autonomous non-profit organizations

may conclude a constituent agreement.

In the cases stipulated by the law a non-profit organization may act on the basis of the general regulations on the organizations of a given type.

2. The requirements of the constituent documents of a non-profit organization shall be obligatory for execution by the non-profit organization itself and by its founders (participants).

3. The constituent documents of a non-profit organization must determine the non-profit organization's designation containing an indication of the character of its activity and the legal organizational form, the location of the non-profit organization, the procedure for the management of the activity, the object and objectives of the activity, the data on the branches and representative offices, the rights and duties of the members, the conditions and procedure for joining the non-profit organization and withdrawing therefrom (if the non-profit organization has membership), the sources of the formation of the property of the non-profit organization, the procedure for amending the constituent documents of the non-profit organization, the procedure for using the property in case of liquidation of the non-profit organization, and any other provisions stipulated by the present Federal Law and by any other federal laws.

In the constituent agreement the founders shall undertake to create a non-profit organization, shall determine the procedure for the joint activity in creating the non-profit organization, the conditions for the transfer thereto of its property and for the participation in its activity, and the conditions and procedure for the founders (participants) to withdraw therefrom.

The charter of a fund must also contain the fund's designation excluding the word "fund", and the data on the fund's objective; the indications of the fund's bodies, including of the Board of Guardians, and of the procedure for their formation, of the procedure for appointing and dismissing the fund's officials, of the fund's location, and of the destiny of the property of the fund in case of the latter's liquidation.

About information additionally included into the charter of a non-state pensions fund see Federal Law No. 75-FZ of May 7, 1998

About information additionally included into the charter of the mutual credit fund and rental fund set up by gardening, vegetable-growing and country cottage non-profit associations see Federal Law No. 66-FZ of April 15, 1998

The constituent documents of an association (union) or a non-profit partnership must also contain the conditions of the composition and competence of their management bodies, of their decision-making procedure, including on the issues to be decided unanimously or by a qualified majority of votes, and of the procedure for the distribution of the property remaining after the liquidation of the association (union) or the non-profit partnership.

The constituent documents of a non-profit organization may also contain any other provisions which are not contrary to the legislation.

4. The charter of a non-profit organization may be amended by decision of its supreme management body, with the exception of the charter of a fund, which may be amended by a fund's bodies if the charter of the fund stipulates the possibility of amending that charter in such procedure.

If the conservation of the charter of a fund in an unchanged form entails certain consequences which are unforeseeable when the fund is being set up and the possibility of amending its charter has not been

stipulated or the charter is not amended by the authorized persons, the right of making amendments in accordance with the Civil Code of the Russian Federation belong to the court by application of the bodies of the fund or of the body authorized to supervise the fund's activity.

Federal Law No. 18-FZ of January 10, 2006 amended Article 15 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 15. The Founders of a Non-profit Organization

1. Fully capable citizens and/or juridical persons may act as founders of a non-profit organization depending on its legal organizational forms.

1.1. Foreign citizens and stateless persons lawfully staying on the territory of the Russian Federation may be founders (participants in, or members of) non-profit organizations, except for the instances provided for by international treaties made by the Russian Federation or by the federal laws.

1.2. As the founder (participant in, or member) of a non-profit organization may not be deemed:

- 1) the foreign citizen or stateless person in respect of whom a decision is rendered in the procedure established by the laws of the Russian Federation on undesirability of their staying (residence) on the territory of the Russian Federation;
- 2) the person included into the list under Item 2 of Article 6 of Federal Law No. 115-FZ of August 7, 2001 on Resistance to Legalisation (Laundering) of Monetary Funds Derived Illegally and to Financing of Terrorism;
- 3) the public association or religious organization whose activities are suspended in compliance with Article 10 of Federal Law No. 114-FZ of July 25, 2002 on Resistance to Extremist Activities;
- 4) the person in respect of whom it is established by an effective court decision that in his actions there are signs of extremists activity.

2. The number of the founders of a non-profit organization shall be unlimited, unless otherwise provided for by the federal law.

A non-profit organization may be set up by one person, with the exception of the cases of setting up non-profit partnership, associations (unions) and any other cases stipulated by the federal law.

Article 16. Reorganization of a Non-profit Organization

1. A non-profit organization may be reorganized in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

2. The reorganization of a non-profit organization may be carried out in the form of a merger, affiliation, separation, split-off and transformation.

3. A non-profit organization shall be deemed to have been reorganized, with the exception of the cases of a reorganization in the form of affiliation, from the moment of the State registration of the newly emerged organization(s).

In the case of a reorganization of a non-profit organization in the form of the affiliation thereto of another organization, the first one of these shall be deemed to have been reorganized from the moment of

introducing into the Single State Register of Juridical Persons an entry about the termination of the activity of the affiliated organization.

Federal Law No. 31-FZ of March 21, 2002 amended Item 4 of Article 16 of this Federal Law. The amendments shall enter into force as of July 1, 2002

See the previous text of the Item

4. The State registration of an organization (organizations) that has (have) newly arisen as a result of a reorganization and the introduction into the Single State Register of Juridical Persons of an entry about the termination of the activity of the reorganized organization(s) shall be carried out in the procedure established by the federal laws.

On the state registration of legal entities see Federal Law No. 129-FZ of August 8, 2001

Federal Law No. 175-FZ of November 3, 2006 amended Article 17 of this Federal Law. The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Article in the previous wording

Article 17. Transformation of a Non-profit Organization

1. A non-profit organization may be transformed into a fund or an autonomous non-profit organization, as well as into a company in the instances and in the procedure established by federal laws.

2. A private institution may be transformed into a fund, an autonomous non-profit organization or an economic society. The transformation of State or municipal institutions into non-profit organizations of other forms or into an economic society shall be permissible in the cases and in the procedure which have been laid down by the law.

3. An autonomous non-profit organization may be transformed into a fund.

Federal Law No. 148-FZ of July 22, 2008 amended Item 4 of Article 17 of this Federal Law

See the Item in the previous wording

4. An association or a union may be transformed into a fund, an autonomous non-profit organization, an economic society, a partnership company or a non-profit partnership.

5. The decision to transform a non-profit partnership shall be taken by the founders unanimously, and the decision to transform an association (union) shall be taken by all the members that have concluded the agreement on creating it.

The decision to transform a private institution shall be taken by its owner.

The decision to transform an autonomous non-profit organization shall be taken by its supreme management body in accordance with the present Federal Law in the procedure stipulated by the charter of the non-profit organization.

6. When transforming a non-profit organization, the newly arising organization shall take over the rights and duties of the reorganized non-profit organization in accordance with the transfer deed.

Federal Law No. 18-FZ of January 10, 2006 amended Article 18 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 18. Liquidation of a Non-profit Organization

1. A non-profit organization may be liquidated on the basis and in the procedure stipulated by the Civil Code of the Russian Federation, the present Federal Law and any other federal laws.

1.1. An application for liquidation of a non-profit organization shall be filed with court by the prosecutor public of the appropriate subject of the Russian Federation in the procedure provided for by the Federal Law on the Public Prosecutor's Office (in the wording of Federal Law No. 168-FZ of November 17, 1995) by the authorized body or by a territorial body thereof.

2. The decision to liquidate a fund may be adopted only by the court upon application of the interested persons.

A fund may be liquidated:

if the fund's property is insufficient for accomplishing its objectives and the probability of obtaining the necessary property is unreal;

if the fund's objectives are unattainable and the necessary amendments of the funds' objectives cannot be made;

if the fund deviates in its activity from the objectives stipulated by its charter;

in any other cases stipulated by the Federal Law.

2.1. A branch of a foreign non-profit non-governmental organisation on the territory of the Russian Federation shall be likewise liquidated:

1) in the event of liquidation of the appropriate foreign non-profit non-governmental organization;

2) in the event of non-submission of the data indicated in Item 4 of Article 32 of this Federal Law;

3) if its activities do not comply with the goals provided for by the constituent documents thereof, as well as with the data presented in compliance with Item 4 of Article 32 of this Federal Law.

3. The founders (participants) of a non-profit organization or the body that has adopted the decision to liquidate the non-profit organization shall appoint a liquidation commission (liquidator) and shall, in accordance with the Civil Code of the Russian Federation and the present Federal Law, establish the procedure and the time for the liquidation of the non-profit organization.

4. From the moment of the appointment of the liquidation commission the latter shall take over the powers in managing the affairs of the non-profit organization. The liquidation commission shall appear in court on behalf of the non-profit organization being liquidated.

Federal Law No. 31-FZ of March 21, 2002 amended Article 19 of this Federal Law. The amendments shall enter into force as of July 1, 2002

See the previous text of the Article

Article 19. Procedure for the Liquidation of a Non-profit Organization

1. The liquidation commission shall place in the organs of the press, which publish the data on the State registration of juridical persons, a publication on the liquidation of the non-profit organization and on the procedure and time for the creditors to lodge their claims. The time period for the creditors to lodge

their claims may not be less than two months from the day of the publication about the liquidation of a non-profit organization.

2. The liquidation commission shall take measures to reveal the creditors and obtain the creditor indebtedness, and shall also notify the creditors in written form about the liquidation of the non-profit organization.

3. Upon the termination of the period for the creditors to lodge their claims, the liquidation commission shall draw up an interim liquidation balance sheet which shall contain the data on the composition of the property of the non-profit organization being liquidated, a list of the claims lodged by the creditors, and also the results of their consideration.

The interim liquidation balance sheet shall be approved by the founders (participants) of the non-profit organization or by the body that has adopted the decision on its liquidation.

Federal Law No. 175-FZ of November 3, 2006 amended Item 4 of Article 19 of this Federal Law.

The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Item in the previous wording

4. If the monetary funds of a liquidated non-profit organization (with the exception of private institutions) are insufficient for satisfying the creditors' claims, the liquidation commission shall make a sale of the property of the non-profit organization at a public auction in the procedure established for the execution of court judgements.

If the monetary funds of a liquidated private institution are insufficient for satisfying the claims of the creditors, the latter may apply to court with an action for satisfying the remaining part of the claims at the expense of the owner of the said institution.

5. The payment of the money amounts to the creditors of a liquidated non-profit organization shall be made by the liquidation commission in the order of the priority established by the Civil Code of the Russian Federation in accordance with the interim liquidation balance sheet beginning on the day of its approval, with the exception of the creditors of the fifth turn, the payments to whom shall be made upon the expiration of a month as from the day when the interim liquidation balance sheet is approved.

6. After the completion of the settlements with the creditors the liquidation commission shall draw up a liquidation balance sheet, which shall be approved by the founders (participants) of the non-profit organization or by the body that has adopted the decision to liquidate the non-profit organization.

Article 20. The Property of a Non-profit Organization That Is Being Liquidated

1. In the liquidation of a non-profit organization the property remaining after the satisfaction of the creditors' claims, unless otherwise provided for by the present Federal Law and any other federal laws, shall be assigned in accordance with the constituent documents of the non-profit organization to the objectives, in whose interests it has been created, or to charitable objectives. If it is impossible to use the property of the liquidated non-profit organization in accordance with its constituent documents, the said property shall be turned in the revenue of the State.

2. In the liquidation of a non-profit organization the property remaining after the satisfaction of the

creditors' claims shall be subject to distribution among the members of the non-profit partnership in accordance with their property contribution, whose rate does not exceed the rate of their property contributions, unless otherwise provided for by the federal laws or the constituent documents of the non-profit partnership.

The procedure for using the property of the non-profit partnership, whose cost does not exceed the rate of the property contributions of its members, shall be determined in accordance with Item 1 of the present Article.

Federal Law No. 175-FZ of November 3, 2006 amended Item 3 of Article 20 of this Federal Law.

The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Item in the previous wording

3. The property of a private institution remaining after the satisfaction of the creditors' claims shall be transferred to its owner, unless otherwise provided for by the laws and any other legal acts of the Russian Federation or by the constituent documents of such institution.

Article 21. The Completion of the Liquidation of a Non-profit Organization

The liquidation of a non-profit organization shall be considered completed and the non-profit organization as having ceased to exist after a relevant entry thereto has been made in the Single State Register of Juridical Persons.

Article 22. Removed from July 1, 2002.

See the text of Article 22

Federal Law No. 18-FZ of January 10, 2006 amended Article 23 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 23. The State Registration of the Amendments to the Constituent Documents of a Non-profit Organization

1. State registration of amendments to be made to the constituent documents of a non-profit organization shall be effected in the same procedure and at the same time as state registration of a non-profit organisation.

2. The amendments to the constituent documents of a non-profit organization shall enter into force from the day of their registration.

3. A state duty shall be recovered for state registration of amendments to be made to the constituent documents of a non-profit organisation in the procedure and amount provided for by the legislation of the Russian Federation on taxes and fees.

4. Amendments made to the data specified in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen shall enter into legal force as of the date of

their entry to the Unified State Register of Legal Entities.

Federal Law No. 18-FZ of January 10, 2006 supplemented this Federal Law with Article 23.1. The Article shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

Article 23.1. Denial of State Registration of a Non-Profit Organisation

1. A non-profit organization may be denied state registration for the following reasons:

- 1) if the constituent documents of the non-profit organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;
- 2) if a non-profit organisation bearing the same name has been previously registered;
- 3) if the name of the non-profit organization insults the morality and outrages the national and religious feelings of citizens;
- 4) if the documents required for state registration which are stipulated by this Federal Law are not provided in full, or are not drawn up in a proper way, or are submitted to an improper body;
- 5) if the person acting as the founder of the non-profit organisation may not be the founder thereof under Item 1.2 of Article 15 of this Federal Law.

2. A branch of a foreign non-profit non-governmental organisation may be also denied state registration for the following reasons:

- 1) if the goals of establishing the branch of the foreign non-profit non-governmental organization contravene the Constitution of the Russian Federation and the laws of the Russian Federation;
- 2) if the goals of establishing the branch of the foreign non-profit non-governmental organization pose a threat to the sovereignty, political independence, territorial integrity, national unity and originality, cultural heritage and national interests of the Russian Federation;
- 3) if a branch of the foreign non-profit non-governmental organization, previously registered on the territory of the Russian Federation, has been liquidated in connection with a gross violation of the Constitution of the Russian Federation and the laws of the Russian Federation.

3. In the event of denial of state registration of a non-profit organization, the applicant shall be notified of it in writing at latest in one month as of the date of receiving submitted documents with an indication of the specific provisions of the Constitution of the Russian Federation and the legislation of the Russian Federation whose breach has entailed the denial of state registration of the non-profit organization, except for the instance provided for by Item 4 of this Article.

4. In the event of denial of state registration of a branch of a foreign non-profit non-governmental organization for the reason provided for by Subitem 2 of Item 2 of this Article, the applicant shall be informed of the reasons for the denial.

5. A denial of state registration of a non-profit organization may be appealed against with a superior body or court.

6. A denial of state registration of a non-profit organisation shall not be an obstacle to a repeated submission of documents for state registration, provided that the grounds for the denial have been eliminated. A repeated submission of an application for state registration of a non-profit organization and

adoption of a decision concerning this application shall be effected in the procedure provided for by this Federal Law.

Chapter IV. Activity of a Non-profit Organization

Article 24. Types of Activity of a Non-profit Organization

1. A non-profit organization may carry on one type of activity or several types of activity which have not been prohibited by the legislation of the Russian Federation and which correspond to the objectives of the activity of a non-profit organization stipulated by its constituent documents.

The legislation of the Russian Federation may lay down certain restrictions on certain types of activity that may be conducted by non-profit organizations of individual types.

Certain types of activity may be conducted by non-profit organizations only on the basis of special permissions (licenses). The list of such types of activity shall be determined by the law.

2. A non-profit organization may conduct business activity so far as this serves the achievement of the objectives for the sake of which it has been created. Such activity shall be deemed to be a profitable production of goods and services corresponding to the objectives of the creation of the non-profit organization, and also the acquisition and realization of securities, property rights and nonproperty rights, the participation in economic societies and the participation in limited partnerships in the capacity of an investor.

See List of the Types of Paid Activity Which May Be Carried Out by a Non-profit Organisation Owning a Target Capital, Except for a Specialised Organisation approved by Order of the Government of the Russian Federation No. 1227-r of September 13, 2007

The legislation of the Russian Federation may establish certain restrictions on the business activity of non-profit organizations of individual types.

3. A non-profit organization shall keep the records of the proceeds and expenses in the business activity.

Federal Law No. 274-FZ of December 30, 2006 supplemented Article 24 of this Federal Law with Item 3.1

3.1. The legislation of the Russian Federation may establish restrictions on making donations by non-profit organisations to political parties, regional branches thereof, as well as to election funds and referendum funds.

4. In the interests of achieving the objectives stipulated by the charter a non-profit organization may create other non-profit organizations and join associations and unions.

Article 25. The Property of a Non-profit Organisation

Federal Law No. 118-FZ of June 26, 2007 amended Item 1 of Article 25 of this Federal Law

See the Item in the previous wording

1. A non-profit organisation may have, in ownership or in operating management, buildings, installations, housing stock, equipment, appliances, monetary funds in roubles and in foreign currency, securities and any other assets. A non-profit organisation may have land plots under its ownership or by another right in accordance with the legislation of the Russian Federation. A federal law can establish the right of a

non-profit organisation to form special-purpose capital in the composition of its property and also the features of the legal status of non-profit organisations forming special-purpose capital.

2. A non-profit organisation shall be liable for its obligations with that of its property which is recoverable according to the legislation of the Russian Federation.

Article 26. The Sources of the Formation of the Property of a Non-profit Organisation

Federal Law No. 179-FZ of December 23, 2003 amended Item 1 of Article 26 of this Federal Law

See text of the Item in the previous wording

1. The sources of the formation of the property of a non-profit organization in monetary or any other forms shall be:

regular and lumpsum receipts from the founders (participants, members);

voluntary property contributions and donations;

receipts from the marketing of goods, works and services;

dividends (yield, interest) received on shares, bonds or any other securities and deposits;

returns received from the property of the non-profit organization;

any other receipts unprohibited by the law.

Laws may establish certain restrictions on the sources of the returns of non-profit organisations of individual types.

The sources of the formation of the property of a state corporation may represent the regular and/or lump-sum receipts (contributions) from the juridical persons whose duty to make these contributions is determined by the federal law.

2. The procedure for the regular receipts from the founders (participants, members) shall be determined by the constituent documents of a non-profit organization.

3. The profit received by a non-profit organization shall not be subject to distribution among the participants of the non-profit organization.

Article 27. Conflict of Interests

1. For the purposes of the present Federal Law the persons interested in the making by a non-profit organization of certain acts, including transactions, with any other organizations or citizens (hereinafter referred to as the interested persons) shall be deemed to be the head (deputy head) of the non-profit organization, and also the person comprising the composition of the management bodies of the non-profit organization or of the bodies supervising its activity, if the indicated persons have labour relations with the said organizations or citizens, are participants or creditors of the said organizations, or are in close family relations with the said persons or are creditors of the said persons. Besides, the said organizations or citizens are suppliers of goods (services) for the non-profit organizations, major consumers of the goods (services) produced by the non-profit organization, have certain property fully or partly formed by the non-profit organization or may derive a profit from the use or disposal of the property of the non-profit organization.

The interest in the performance by a non-profit organization of certain acts, including in the performance

of transactions, shall entail a conflict of interests of the interested persons and the non-profit organization.

2. The interested persons must observe the interests of a non-profit organization, first of all with respect to the objectives of its activity, and must not use the possibilities of the non-profit organization or permit their use for purposes other than those stipulated by the constituent documents of the non-profit organization.

By the term "the possibilities of a non-profit organization", per purposes of the present Article, there shall be understood the non-profit organization's assets, property rights, nonproperty rights, possibilities in the field of business activity, and information on the activity and plans of the non-profit organization that is valuable therefor.

3. Where an interested person is interested in a transaction to which a non-profit organization is or intends to be a party, and also there is another clash of interests of the said person and the non-profit organization with respect to an existing or supposed transaction:

he must inform about his interest the management body of the non-profit organization or the body supervising its activity prior to the moment when the decision is taken to conclude the transaction; the transaction must be approved by the management body of the non-profit organization or by the body supervising its activity.

4. A transaction in the making of which there is interest and which has been made with the violation of the requirements of the present Article may be invalidated by a court.

An interested person shall be liable before a non-profit organization at the rate of the losses inflicted by him on the non-profit organization. If losses have been inflicted on a non-profit organization by several interested persons, the latter shall be jointly liable before the non-profit organization.

Chapter V. Management of a Non-profit Organisation

Federal Law No. 276-FZ of December 30, 2006 amended Article 28 of this Federal Law. The amendments shall enter into force from the day of the official publication of said Federal Law
See the Article in the previous wording

Article 28. Bases of the Management of a Non-profit Organization

1. The structures, the competence, the procedure for the formation and the term of powers of the management bodies of a non-profit organization, the procedure for them to take decisions and to act in the name of the non-profit organization shall be laid down by the constituent documents of the non-profit organization in accordance with the present Federal Law and any other federal laws.

Federal Law No. 148-FZ of July 22, 2008 amended Item 2 of Article 28 of this Federal Law
See the Item in the previous wording

2. Other federal laws can stipulate the formation of management bodies of a non-profit organisation not stipulated by this Federal Law, as well as some other distribution of powers among managerial bodies

of a non-profit organisation.

Article 29. Supreme Management Body of a Non-profit Organisation

1. The supreme management body of non-profit organization in accordance with their constituent documents shall be:

a collective supreme management body for an autonomous non-profit organization;

a general meeting of members for a non-profit partnership or association (union).

The procedure for managing a fund shall be deed by its charter.

Federal Law No. 174-FZ of November 26, 1998 excluded the words "and religious" from paragraph 5 of Item 1 of Article 29 of this Federal Law

The composition and competence of the management bodies of social and religious organizations (combinations) shall be established in accordance with the laws on such organizations (combinations).

2. The main function of the supreme management body of a non-profit organization shall be to ensure the observance by the non-profit organization of the objectives in whose interests it has been created.

3. The competence of the supreme management body of a non-profit organization shall comprise the solution of the following issues:

the amendment of the charter of the non-profit organization;

the determination of the priority directions of the activity of the non-profit organization, and of the principles of the formation and use of its property;

the formation of the executive bodies of the non-profit organization and the termination of their powers ahead of time;

the approval of the annual report and the annual accounting balance sheet;

the approval and amendment of the financial plan of the non-profit organization;

the creation of branches and the opening of representative offices of the non-profit organization;

the participation in any other organizations;

the reorganization and liquidation of the non-profit organization (with the exception of the liquidation of a fund).

The constituent documents of a non-profit organization may stipulate the creation of a standing collective-management body, whose jurisdiction may comprise the solution of the issues stipulated by paragraphs five to eight of the present Item.

The issues stipulated by paragraphs two to four and nine of the present Item shall refer to an exclusive competence of the supreme management body of a non-profit organization.

4. A general meeting of the members of a non-profit organization or a session of a non-profit organization shall be competent if the said meeting or session is attended by half of its members.

A decision of the said general meeting or session shall be adopted by a majority vote of the members attending the meeting or session. A decision of a general meeting or session on the issues of the exclusive competence of the supreme management body of a non-profit organization shall be adopted unanimously or by a qualified majority vote in accordance with the present Federal Law, other federal laws and the constituent documents.

5. For an autonomous non-profit organization the persons who are workers of the non-profit organization may not compose more than one third of the total number of the members of the collective supreme management body of the autonomous non-profit organization.

A non-profit organization may not make the payment of the remuneration to the members of its supreme management body for the performance by them of their encumbent functions, with the exception of the compensation for the expenses directly connected with the participation in the work of the supreme management body.

Article 30. Executive Body of a Non-profit Organization

1. The executive body of a non-profit organization may be collective and/or individual. It shall exercise the current leadership of the activity of the non-profit organization and shall be accountable to the supreme management body of the non-profit organization.

2. The competence of the executive body of a non-profit organization shall comprise the solution of all issues which do not constitute the exclusive competence of other management bodies of the non-profit organization determined by the present Federal Law, any other federal laws and the constituent documents of the non-profit organization.

Federal Law No. 24-FZ of March 2, 2007 supplemented Chapter V of this Federal Law with Article 30.1. The new Article shall enter into force upon the expiry of 30 days after the day of the official publication of said Federal Law

Article 30.1. Restrictions on the Participation of Certain Categories of Persons in the Activities of Foreign Not-for-Profit Non-Governmental Organisations

The following persons shall not sit on the managerial bodies, boards of trustees or supervisory boards or other bodies of foreign not-for-profit non-governmental organisations and their structural units operating on the territory of the Russian Federation: persons holding state or municipal offices and also state or municipal service offices, unless otherwise envisaged by an international treaty or the legislation of the Russian Federation. These persons are not entitled to engage in a paid activity financed exclusively with funds of foreign states, international and foreign organisations, foreign citizens and stateless persons, unless otherwise envisaged by an international treaty of the Russian Federation or the legislation of the Russian Federation.

Chapter VI. Non-profit Organizations and the Bodies of State Power

Article 31. Economic Support of Non-profit Organizations by the Bodies of State Power and the Local Self-government Bodies

Federal Law No. 175-FZ of November 3, 2006 amended Item 1 of Article 31 of this Federal Law.

The amendments shall enter into force upon the expiry of sixty days after the official publication of said Federal Law

See the Item in the previous wording

1. The bodies of State power and the local self-government bodies may, within the limits of their competence, render non-profit organizations economic support in different forms, including: the granting, in accordance with the legislation, of privileges in the payment of taxes, customs and other duties and charges to non-profit organizations created for charitable, educational, cultural and scientific purposes, for the purposes of protecting the health of citizens, developing the physical culture and sports, taking into account the legal organizational forms of non-profit organizations; the granting the non-profit organizations of any other privileges, including a full or partial exemption from the payment for the use of State and municipal property; the placement among non-profit organizations in the procedure provided for by Federal Law No. 94-FZ of July 21, 2005 on Placing Orders to Supply Goods, Carry Out Works and Render Services for Meeting State and Municipal Needs of State and municipal social orders; the granting, in accordance with the law, of privileges in the payment of taxes to citizens and juridical persons that are rendering material support to non-profit organizations.

2. It shall be impermissible to grant privileges in the payment of taxes individually to several citizens and juridical persons that are rendering material support to the said non-profit organizations.

Federal Law No. 18-FZ of January 10, 2006 amended Article 32 of this Federal Law. The amendments shall come into force upon the expiry of ninety days as of the date of the official publication of said Federal Law

See the previous text of the Article

Article 32. Control over the Activity of a Non-profit Organization

According to Federal Law No. 68-FZ of May 13, 2008, the provisions of Items 3, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not apply to the Center of Historical Heritage

According to Federal Law No. 286-FZ of November 29, 2007, the provisions of Items 3, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not extend to to Society of Mutual Insurance

According to Federal Law No. 270-FZ of November 23, 2007, the provisions of Items 3, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not extend to the State corporation "Rostekhnologii"

According to Federal Law No. 238-FZ of October 30, 2007, the provisions established by Items 3, 5, 7, 10 and 14 of Article 32 of this Federal Law shall not extend to the State Corporation on Construction of Olympic Venues and Development of Sochi as Mountain Climatic Resort

According to Federal Law No. 82-FZ of May 17, 2007, the provisions established by Items 3, 5, 7, 10 and Item 14 of Article 32 of this Federal Law shall not extend to Vneshekonombank

1. A non-profit organization shall keep accounting and statistical reporting in the procedure established by the legislation of the Russian Federation.

See Federal Law No. 129-FZ of November 21, 1996 on Accounting

A noncommercial organization shall furnish information about its activity to the bodies of State statistics and to the tax bodies, to the founders and any other persons in accordance with the legislation of the Russian Federation and the constituent documents of the non-profit organization.

2. The rates and the structure of the receipts of a non-profit organization, and also the data on the rates and composition of the property of the non-profit organization, on its expenses, the number and composition of workers, on the remuneration of their labour, on the use of gratuitous labour of citizens in the activity of the non-profit organization may not be an object of commercial secrecy.

Federal Law No. 160-FZ of July 23, 2008 amended Item 3 of Article 32 of this Federal Law. The amendments shall enter into force from January 1, 2009

See the Item in the previous wording

3. A non-profit organisation shall be obliged to submit to the authorised body the documents containing a report on its activities, on the personal composition of the governing bodies thereof, as well as the documents on spending monetary funds and using other property, including those received from international and foreign organizations, foreign citizens and stateless persons. The forms and time of submitting the said documents shall be determined by the authorized federal executive body.

Federal Law No. 160-FZ of July 23, 2008 amended Item 4 of Article 32 of this Federal Law. The amendments shall enter into force from January 1, 2009

See the Item in the previous wording

4. A structural subdivision of a foreign non-profit nongovernmental organization shall inform the authorised body of the amount of monetary funds and other property received by this structural subdivision, on the supposed distribution thereof, on the aims of their spending and use and on their actual spending and use, on the programmes to be implemented on the territory of the Russian Federation, as well as on spending the said monetary funds by natural persons and legal entities to which they are granted, and on the use of the property provided to them, in the form and at the time that are established by the authorized federal executive body.

5. The authorised body shall exercise control over compliance of the activities of a non-profit organization with the goals provided for by the constituent entities thereof and the legislation of the Russian Federation. In respect of a non-profit organization the authorised body shall be entitled to do the following:

- 1) to request the governing bodies of the non-profit organization for the constituent documents thereof;
- 2) to obtain on demand information on the financial and economic activities of non-profit organizations from the bodies in charge of state statistics, the federal executive body authorised to exercise control and supervision in the area of taxes and fees, and from other bodies of state control and supervision, as well as from credit and other financial organisations;
- 3) to send its representatives for participation in the events held by the non-profit organization;
- 4) once a year at most to check the compliance of activities of the non-profit organization, including those related to spending monetary funds and use of other property, with the goals provided for by the constituent documents thereof in the procedure determined by the federal executive body charged with exercising the functions of normative and legal regulation in the area of justice;
- 5) in the event of detecting a breach of the legislation of the Russian Federation or in the event of committing by the non-profit organization actions that are at variance with the goals provided by the constituent documents thereof, to issue a written warning thereto with an indication of the breach made

and the time period for elimination thereof constituting at least a month. The warning issued to a non-profit organisation may be appealed against with a superior body or court.

6. In the event of detecting a breach of the legislation of the Russian Federation or committing by an affiliate or a representative office of a foreign non-profit non-governmental organization actions contravening the declared goals and tasks, the authorised body shall be entitled to issue to the head of the appropriate structural subdivision of the foreign non-profit non-governmental organization a written warning with an indication of the breach made and the time period for elimination thereof constituting at least a month. A warning issued to the head of the appropriate structural subdivision of a foreign non-profit non-governmental organization may be appealed against with a superior body or court. Federal Law No. 160-FZ of July 23, 2008 amended Item 7 of Article 32 of this Federal Law. The amendments shall enter into force from January 1, 2009

See the Item in the previous wording

7. Non-profit organizations shall be obliged to inform the authorized body of amending the data indicated in Item 1 of Article 5 of the Federal Law on State Registration of Legal Entities and Individual Businessmen, except for the information on obtained licences, within three days as of the date of occurrence of such amendments and to submit the appropriate documents for rendering a decision on their sending to the registering body. A decision on sending the appropriate documents to the registering body shall be rendered in the same procedure and at the same time as a decision on state registration. With this, a list and form of the documents that are required for making such amendments shall be determined by the authorized federal executive body.

8. In the event of failure of an affiliate or a representative office of a foreign non-profit non-governmental organization to present at the established time the information provided for by Item 4 of this Article, the appropriate structural subdivision of the foreign non-profit non-governmental organization may be excluded from the register of affiliates and representative offices of international organizations and foreign non-profit non-governmental organizations on the basis of the authorized body's decision.

9. If the activities of an affiliate or representative office of a foreign non-profit non-governmental organization do not comply with the goals stated in the notification, as well as with the data presented in compliance with Item 4 of this Article, such structural subdivision may be excluded from the register of affiliates and representative offices of international organisations and foreign non-profit non-governmental organizations on the basis of a decision of the authorised body.

10. A repeated failure of a non-profit organisation to present at the established time the data provided for by this Article shall serve as a ground for filing by the authorised body or by a territorial body thereof an application for liquidation of this non-profit organization.

11. The authorized body shall render a decision on the exclusion of an affiliate or representative office of a foreign non-profit nongovernmental organization from the register in connection with liquidation of the appropriate foreign non-profit non-governmental organization.

12. The authorised body shall send to a structural subdivision of a foreign non-profit non-governmental organization a reasoned decision in writing to prohibit implementation on the territory of the Russian Federation of the programme, declared for implementation on the territory of the Russian Federation, or

of its part. The structural subdivision of a foreign non-profit non-governmental organization that has received the said decision shall be obliged to terminate its activities connected with implementation of this programme, insofar as it is indicated in the decision. A failure to execute the said decision shall entail exclusion of the appropriate affiliate or representative office of the foreign non-profit non-governmental organization from the register and liquidation of the branch of the foreign non-profit non-governmental organization.

13. For the purpose of protection of the fundamentals of the constitutional system, morals, health, rights and legitimate interests of other persons, ensuring the defence of the country and security of the State, the authorised body shall be entitled to issue to a structural subdivision of a foreign non-profit non-governmental organization a reasoned decision in writing prohibiting allocation of monetary funds and provision of other property to certain recipients of the said funds and other property.

14. The federal bodies charged with the exercise of fiscal control, the federal executive body authorised with respect to control and supervision in the area of taxes and fees, the federal executive body authorized to exercise the functions of resistance to legalization (laundering) of incomes derived illegally and to financing terrorism shall establish the compliance of spending monetary funds and using other property by non-profit organizations with the aims provided for by the constituent documents thereof, and by affiliates and representative offices of foreign non-profit non-governmental organizations with the declared goals and tasks, and shall report the results to the body that has decided on registration of the appropriate non-profit organization and on the inclusion into the register of the affiliate or representative office of the foreign non-profit non-governmental organization.

15. A foreign non-profit non-governmental organization shall be entitled to appeal against actions (omission to act) of state bodies with court at the location of the state body whose actions (omission to act) are appealed against.

Chapter VII. Final Provisions

Federal Law No. 31-FZ of March 21, 2002 amended Article 33 of this Federal Law. The amendments shall enter into force as of July 1, 2002

See the previous text of the Article

Article 33. Responsibility of Non-profit Organization

A non-profit organization, in case of the violation of the present Federal Law, shall bear responsibility in accordance with the legislation of the Russian Federation.

Article 34. Entry into Force of the Present Federal Law

1. The present Federal Law shall enter into force as of the day of its official publication.

2. To recommend the President of the Russian Federation and assign the Government of the Russian Federation to bring their legal acts in conformity with the present Federal Law.

President of the Russian Federation Boris Yeltsin

Moscow, the Kremlin

