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## Non-profit Associations Act

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Amended by the following acts

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25.03.1998	RT I 1998, 36, 552	01.05.1998
17.06.1998	RT I 1998, 59, 941	10.07.1998
consolidated text on paper RT	RT I 1998, 96, 1515	
20.01.1999	RT I 1999, 10, 155	01.01.2000
17.02.1999	RT I 1999, 23, 355	19.03.1999, in part 01.03.1999
18.08.1999	RT I 1999, 67, 658	01.10.1999
20.06.2000	RT I 2000, 55, 365	12.07.2000
15.11.2000	RT I 2000, 88, 576	29.11.2000
06.06.2001	RT I 2001, 56, 336	07.07.2001
14.11.2001	RT I 2001, 93, 565	01.02.2002
05.06.2002	RT I 2002, 53, 336	01.07.2002
17.12.2003	RT I 2003, 88, 591	01.01.2004
16.12.2004	RT I 2004, 89, 613	07.01.2005
22.02.2005	RT I 2005, 15, 85	01.01.2006
15.06.2005	RT I 2005, 39, 308	01.01.2006
12.10.2005	RT I 2005, 57, 450	01.01.2006
23.11.2006	RT I 2006, 55, 412	01.01.2007
06.12.2006	RT I 2006, 61, 456	01.01.2007
04.06.2008	RT I 2008, 27, 177	10.07.2008
10.12.2008	RT I 2008, 59, 330	01.01.2009
29.01.2009	RT I 2009, 13, 78	01.07.2009, in part 01.01.2010
21.10.2009	RT I 2009, 51, 349	15.11.2009
29.10.2009	RT I 2009, 54, 363	01.01.2010
27.01.2010	RT I 2010, 9, 41	08.03.2010
20.01.2011	RT I, 04.02.2011, 2	14.02.2011
16.02.2011	RT I, 14.03.2011, 1	01.01.2012
05.12.2012	RT I, 18.12.2012, 3	19.12.2012
27.02.2014	RT I, 21.03.2014, 3	31.03.2014, in part 01.04.2014 and 01.01.2015
11.06.2014	RT I, 21.06.2014, 8	01.01.2015
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, the titles of ministers replaced on the basis of subsection 4 of § 107 <sup>3</sup> of the Government of the Republic Act in the wording in force as of 1 July 2014.
10.12.2015	RT I, 30.12.2015, 4	01.02.2016
21.02.2017	RT I, 10.03.2017, 1	20.03.2017, in part 30.09.2017
05.04.2017	RT I, 20.04.2017, 1	15.01.2018
20.04.2017	RT I, 09.05.2017, 1	01.07.2017
25.10.2017	RT I, 17.11.2017, 1	01.01.2019
05.12.2018	RT I, 20.12.2018, 1	01.01.2019

20.02.2019	RT I, 19.03.2019, 2	29.03.2019
18.05.2020	RT I, 23.05.2020, 2	24.05.2020
13.04.2022	RT I, 05.05.2022, 1	01.02.2023
01.06.2022	RT I, 20.06.2022, 1	01.07.2022
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07.12.2022	RT I, 23.12.2022, 2	01.02.2023

## Chapter 1 GENERAL PROVISIONS

### § 1. Definition

(1) A non-profit association is a voluntary association of persons the objective or main activity of which shall not be the earning of income from economic activity.

(2) The income of a non-profit association may be used only to achieve the objectives specified in its articles of association. A non-profit association shall not distribute profits among its members.

(3) Exceptions for foundation, activities and dissolution of particular classes of non-profit associations may be provided by law.

(4) Transformation of a non-profit association into a legal person of a different class is prohibited.

### § 2. Passive legal capacity

(1) A non-profit association is a legal person in private law. The passive legal capacity of a non-profit association commences as of entry of the non-profit association in the non-profit associations and foundations register (hereinafter *register*) and terminates as of deletion of the non-profit association from the register, if the non-profit association has no assets.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(2) Associations of persons with non-profit characteristics which are not entered in the register are not legal persons and the provisions for civil law partnerships apply to them. Persons who enter into transactions in the name of such associations are personally and solidarily liable for such transactions.

### § 3. Registered office

[Repealed – RT I, 20.04.2017, 1 – entry into force 15.01.2018]

### § 4. Name

(1) The name of a non-profit association shall clearly differ from the names of other non-profit associations and foundations entered in the register in Estonia.

(2) The name of a non-profit association shall not be misleading with regard to the objective, scope of activity or legal form of the non-profit association.

(3) [Repealed – RT I 2002, 53, 336 – entry into force 01.07.2002]

(4) A non-profit association may have only one name.

(5) The name of a non-profit association shall be written in the Estonian-Latin alphabet.

(6) The name of a non-profit association shall contain an appendage in Estonian referring to the fact that this is an association of persons.

(7) The name of a non-profit association shall not be contrary to good morals.

(8) The documents of a non-profit association shall indicate the name, registered office and registry code of the non-profit association.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

## Chapter 2

# FOUNDATION

## § 5. Founders

A non-profit association may be founded by at least two persons. The founders may be natural persons or legal persons.

## § 6. Memorandum of association

(1) In order to found a non-profit association, the founders shall enter into a memorandum of association.

(2) A memorandum of association shall set out:

- 1) the business name, registered office and address of the non-profit association being founded;  
[RT I, 05.05.2022, 1 – entry into force 01.02.2023]
- 2) the names and residences or registered offices, and the personal identification codes or registry codes of the founders;
- 3) the obligations of the founders with regard to the non-profit association;
- 4) the names, personal identification codes and residences of the members of the management board.

(3) Upon conclusion of a memorandum of association, the founders shall also approve the articles of association of the non-profit association as an annex to the memorandum of association.

(4) The memorandum of association and articles of association approved thereby shall be signed by all founders. A representative of a founder may sign the memorandum of association if the representative has been granted an authorisation document therefor. Articles of association shall be amended after entry in the register of the non-profit association pursuant to the procedure provided for in § 23 of this Act and shall not require amendment of the memorandum of association.

## § 7. Articles of association

(1) The articles of association of a non-profit association shall be in writing. The articles of association shall set out:

- 1) the name of the non-profit association;
- 2) the registered office of the non-profit association;
- 3) the objectives of the non-profit association;
- 4) the conditions and procedure for membership in the non-profit association and for leaving and exclusion from the non-profit association;
- 5) the rights of members;
- 6) the obligations of members or the procedure for establishment of obligations for members;
- 7) upon the existence of departments, their rights and obligations;
- 8) the conditions and procedure for calling the general meeting and the procedure for adoption of resolutions;
- 8<sup>1</sup>) the number of members of the management board or the maximum and minimum number of members;
- 9) the distribution of assets of the non-profit association upon dissolution of the association;
- 10) other conditions provided by law.

(2) The articles of association may also prescribe other conditions which are not contrary to law. If a provision of the articles of association is contrary to a provision of law, the provision of law applies.

(3) If the articles of association do not prescribe a term for the non-profit association, it shall be deemed to be founded for an unspecified term.

(4) In the articles of association different names may be used for bodies and departments of non-profit associations than those provided by the law, however, in such case the articles of association shall indicate to which names provided by the law these names correspond to.

## § 8. Petition for entry in register

(1) In order to enter a non-profit association in the register, the management board of the non-profit association shall submit a petition which sets out the information specified in § 10 of this Act and is signed by all members of the management board. The following shall be appended to the petition:

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

- 1) the memorandum of association and the articles of association approved thereby;
- 1<sup>1</sup>) [repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]
- 2) [Repealed – RT I 1998, 59, 941 – entry into force 10.07.1998]
- 3) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]
- 4) telecommunications numbers (telephone, facsimile, etc.);

5) other documents provided by law.

(1<sup>1</sup>) Upon submission of a petition to the register, a non-profit association shall specify its planned principal activity and shall keep the register informed of any changes to the principal activity. Upon notification to the register of activities and specification of activities in annual reports, the Estonian Classification of Economic Activities is used. Religious associations, political parties and apartment associations are not required to notify the register of their planned principal activity.

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

(2) Any other petition submitted to the register shall be signed by a member of the management board. A petition for the entry of a new member of the management board in the register shall be signed by the new member of the management board, who shall certify in the petition that he or she has the right to be a member of the management board pursuant to law. If the members of the management board are only entitled to represent the non-profit association jointly, all members of the management board entitled to represent the non-profit association jointly shall sign the petition submitted to the register.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) A non-profit association shall not be entered in the register if the petition for entry in the register is submitted after one year has passed since the conclusion of the memorandum of association.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(4) [Repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

## **§ 9. Refusal to enter in register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

## **§ 10. Entry of information in register and change thereof**

(1) The following shall be entered in the register:

1) the name of the non-profit association;

2) the registered office and address of the non-profit association;

2<sup>1</sup>) [repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

3) the date of entry into force of the articles of association;

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

3<sup>1</sup>) the beginning and end of the financial year;

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

4) the names and personal identification codes of the members of the management board;

[RT I 2006, 61, 456 – entry into force 01.01.2007]

5) [repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

5<sup>1</sup>) [repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

6) [repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

7) other information provided by law.

(2) Upon a change in the information entered in the register, the management board shall submit a petition for entry of the changes in the register.

(3) Minutes of the general meeting or other body which decided on the change shall be appended to the petition specified in subsection 2 of this section. Subsection 6 of § 21 shall apply to the contents of the minutes of the other body.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(4) [Repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

## **§ 10<sup>1</sup>. Liability of founders and members of management board upon foundation of non-profit associations**

(1) The founders of a non-profit association and the members of the management board shall be solidarily liable for damage caused to the non-profit association by submission of incorrect or inaccurate information or breach of other obligations upon the foundation of the the non-profit association unless a founder or a member of the management board proves that he or she was not aware nor should have been aware of the circumstances which caused the damage.

(2) In addition to the members of a non-profit association, the persons on whose account the non-profit association was founded are also liable on the basis provided in subsection 1 of this section. A person is not released from liability regardless of whether or not he or she was aware of circumstances if a member acting on the person's behalf was or should have been aware of such circumstances.

(3) An agreement which derogates from the provisions of subsections 1 and 2 of this section shall only be valid with respect to the creditors of a non-profit association if such agreement was entered into in the course of bankruptcy proceedings of the non-profit association.

(4) The claims provided by subsections 1 and 2 of this section expire after five years of the entry of a non-profit association in the register.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 11. Transactions entered into before entry in register**

(1) Persons who enter into transactions in the name of a non-profit association being founded before entry of the non-profit association in the register are solidarily liable for performance of the obligations arising from the transactions.

(2) The obligations specified in subsection 1 of this section transfer to the non-profit association as of entry in the register if the persons who entered into the transaction had the right to enter into the transaction in the name of the association.

(3) If a person did not have the right to enter into a transaction in the name of an association, the obligations arising from the transaction transfer to the non-profit association if the general meeting approves the transaction.

(4) If the assets of the non-profit association are not sufficient to satisfy the claim of a creditor of the non-profit association, the founders shall be personally and solidarily liable to the creditor of the non-profit association for the obligations of the non-profit association to the extent that the assets of the non-profit association are decreased due to the obligations incurred for the non-profit association before entry of the non-profit association in the register. The limitation period for such claim shall be five years from entry of the non-profit association in the register.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

## **Chapter 3 MEMBERS OF NON-PROFIT ASSOCIATIONS**

#### **§ 12. Members**

(1) Every natural person or legal person who complies with the requirements of the articles of association of a non-profit association may be a member of the non-profit association. A non-profit association shall comprise at least two members unless the law or the articles of association prescribe a greater number of members.

(2) The management board shall organise the registration of members of a non-profit association. At any time the registrar has the right to demand information from the management board of a non-profit association on the number of members of the non-profit association.

(3) The management board of a non-profit association shall submit a petition for dissolution of the non-profit association within three months if the number of members of the non-profit association falls below two or any other number prescribed by law or the articles of association. If the management board does not submit a petition during the specified term, the registrar shall commence the compulsory dissolution of the non-profit association.

(4) The articles of association determine the proprietary and other obligations of members with regard to a non-profit association. Obligations may be imposed on members only pursuant to the procedure prescribed by the articles of association.

(5) If a minor is the founder or becomes a member of a non-profit association, clause 5 of subsection 1 of § 188 of the Family Law Act shall not be applied.

[RT I, 04.02.2011, 2 – entry into force 14.02.2011]

(6) If a minor of at least 15 years of age becomes a member of such youth association which complies with the provisions of the Youth Work Act, the consent of the guardian need not be submitted to the non-profit association unless otherwise provided by the articles of association.

[RT I, 04.02.2011, 2 – entry into force 14.02.2011]

#### **§ 13. Membership**

(1) The management board decides on membership in a non-profit association unless this is placed in the competence of the general meeting or some other body by the articles of association.

(2) If the management board or a body other than the general meeting denies membership to an applicant, the applicant may demand that the general meeting decide on his or her membership.

#### **§ 14. Non-transferability of membership**

(1) Membership in a non-profit association or exercise of the rights of a member cannot be transferred or bequeathed unless otherwise provided by law. Membership in a non-profit association terminates upon the death of a natural person who is a member or dissolution of a legal person who is a member.

(2) A legal person retains membership upon its transformation in the manner provided by law. Upon merger or division of a legal person who is a member, the rights of the person as a member terminate.

(3) Upon separation of a legal person from another legal person who is a member, the membership of the legal person being divided is retained.

#### **§ 15. Departure of member**

(1) A member of a non-profit association has the right to leave the non-profit association on the basis of a petition.

(2) The articles of association may prescribe that a member may only leave a non-profit association at the end of a financial year or after expiration of a term for advance notice which shall not be longer than two years.

(3) The provisions of subsection 2 of this section do not apply if the rights or obligations of the member are significantly changed or whereby the membership cannot be maintained according to a just valuation.

#### **§ 16. Exclusion of member**

(1) A member may be excluded from a non-profit association by a resolution of the management board in the cases and pursuant to the procedure prescribed by the articles of association. The articles of association may prescribe that exclusion of members is decided by the general meeting.

(2) Regardless of the provisions of the articles of association, a member may be excluded from a non-profit association due to failure to adhere to the articles of association or for significantly damaging the association.

(3) A member who is excluded from a non-profit association shall be promptly notified in writing of the adoption of a resolution to exclude the member from the association and of the reasons therefor.

(4) If exclusion of a member is decided by the management board, the member may demand that exclusion be decided by the general meeting. If a member was excluded by some other competent body of the non-profit association, the general meeting may declare the resolution on exclusion invalid on the basis of a petition by the excluded member.

#### **§ 17. Consequences of termination of membership**

(1) If a membership terminates during a financial year, the membership fee prescribed by the articles of association shall be paid for the whole financial year unless the articles of association prescribe otherwise.

(2) A person whose membership in a non-profit association has terminated shall not have a right to the assets of the association.

## **Chapter 4 MANAGEMENT**

#### **§ 18. General meeting**

(1) The highest body of a non-profit association is the general meeting of its members. All members of a non-profit association may participate in the general meeting unless otherwise provided by law.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) The general meeting adopts resolutions on all management matters of the non-profit association which are not placed within the competence of the management board or another body of the non-profit association by law or the articles of association.

#### **§ 19. Competence of general meeting**

(1) The general meeting is competent to:

- 1) amend the articles of association;
- 2) appoint and remove members of the management board;
- 3) elect and remove proxies;
- 4) decide on conclusion and terms and conditions of transactions with the members of the management board or another body prescribed by the articles of association (§ 31), decide on the conduct of legal disputes with

the members of the management board or another body, and appointment of the representative of the non-profit association in such transactions and disputes;

- 5) approval of annual reports;
- 6) decide on dissolution, merger or division of the non-profit association;
- 7) elect members to other bodies prescribed by the articles of association unless the articles of association prescribe otherwise;
- 8) decide other matters which are not placed in the competence of other bodies by law or the articles of association.

(2) Deciding the issues specified in clauses 1–6 of subsection 1 of this section must not be placed within the competence of the management board or another body by the articles of association. For the purposes of this Act, another body is not the meeting of representatives provided in § 25 of this Act.

[RT I, 23.12.2022, 1 – entry into force 01.02.2023]

## **§ 20. Calling general meeting**

(1) The management board calls the general meeting.

(2) The management board shall call the general meeting in the cases and pursuant to the procedure prescribed by law or the articles of association, and if it is required in the interests of the association.

(3) The management board shall call the general meeting if at least one-tenth of the members of the non-profit association so demand in writing indicating the reason, and the articles of association do not prescribe a smaller representation requirement.

(4) If the management board does not call the general meeting under the circumstances specified in subsection 3 of this section, the members who demanded the general meeting may call the general meeting themselves pursuant to the same procedure as the management board.

(5) Notice of the general meeting shall be given at least seven days in advance unless the articles of association prescribe a longer term.

(6) A notice on calling the general meeting shall set out the time and place of the general meeting and the agenda of the general meeting. The articles of association may prescribe a more specific procedure for dispatching notices on calling the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(7) If, after dispatching the notice on calling the general meeting, the agenda is changed at the demand of the members, such changes to the agenda must be communicated before the general meeting takes place pursuant to the same procedure and within the same term as prescribed for the dispatch of the notice on calling the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

## **§ 20<sup>1</sup>. Agenda of general meeting**

(1) The agenda of the general meeting shall be determined by the management board unless the articles of association prescribe otherwise. If the general meeting is called by the members of a non-profit association, they shall also determine the agenda of the general meeting.

(2) At least one-fifth of the members of a non-profit association or at least six members of a non-profit association, if the non-profit association has less than thirty members, may demand the inclusion of additional issues on the agenda. Reasons shall be given for each additional issue.

(3) The members may use the right specified in subsection 2 of this section before the general meeting not later than three days after the notification of calling the general meeting. The articles of association may prescribe a longer term.

(4) The members shall not use the right specified in subsection 2 of this section before the general meeting if the agenda of the same meeting has already been amended once arising from subsection 2 of this section and the members have been notified of the amendment of the agenda pursuant to subsection 7 of § 20 of this section.

(5) An issue which is initially not on the agenda of the general meeting may be included on the agenda, if all the members of the non-profit association participate in the general meeting or with the consent of at least 9/10 of the members who participate in the general meeting, if more than one-half of the members of the non-profit association participate in the general meeting and the articles of association do not prescribe a greater participation requirement.

(6) A general meeting may decide on calling the next general meeting and settle submissions concerning operational issues related to the agenda or to the procedure for holding the general meeting without including such matters in the agenda beforehand, and to discuss other matters at the general meeting without deciding on such matters.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

## **§ 21. Procedure of general meeting**

(1) The general meeting may adopt resolutions if the meeting was called in adherence to all requirements arising from the law and the articles of association of the non-profit association. The articles of association of a non-profit association may provide for the proportion of members of the non-profit association upon the participation of which the general meeting has a quorum, and for the procedure for calling a new general meeting in the case where the required number of members of the non-profit association did not participate in the general meeting.

(2) [Repealed – RT I 1998, 59, 941 – entry into force 10.07.1998]

(3) If the requirements of law or the articles of association are violated in calling the general meeting, the general meeting shall not have the right to adopt resolutions except if all members participate in the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3<sup>1</sup>) A list of members who participate in the general meeting which shall set out the names of the members who participate in the general meeting, the number of votes, the way of participation and the names of the representatives of members shall be prepared at a general meeting. The list shall be signed by the chair of the meeting and the recording secretary, and by each member or his or her representative physically attending the meeting.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

(4) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

(5) A member of a non-profit association may participate and vote in the general meeting. A representative of a member of a non-profit association may participate and vote in the general meeting unless otherwise prescribed by the articles of association. A representative shall be granted a written authorisation document. The authorisation documents of representatives or copies thereof shall be appended to the minutes of the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) Minutes shall be taken of a general meeting. The time and place of the general meeting, number of the members, agenda of the general meeting, voting results and resolutions adopted and other important circumstances at the general meeting shall be entered in the minutes. On the demand of a member who maintains a dissenting opinion with regard to a resolution of the general meeting, the content of the member's dissenting opinion shall also be entered in the minutes. The minutes shall be signed by the chair and the secretary of the general meeting. A dissenting opinion shall be signed by the person who presents it. The copies of the list of participants in the general meeting, dissenting opinions and written proposals and petitions submitted to the general meeting shall be an integral part of the minutes.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

(7) The minutes shall be made accessible to the members after fourteen days after the end of the general meeting. A member has the right to obtain a copy of the minutes of the general meeting or a copy of a part thereof.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(8) Based on the demand of the management board, at least one-fifth of the members of the non-profit association or at least six members of the non-profit association, if the non-profit association has less than thirty members, the minutes of the general meeting shall be notarised. A respective written demand of the members of the non-profit association shall be submitted to the management board within three days from the notification of calling the general meeting unless the articles of association prescribe a longer term. The members who requested notarisation of the minutes may be required to cover the costs of the notarisation of the minutes of the general meeting by a resolution of the general meeting which receives at least two-thirds of the votes represented at the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(9) The costs of organising a general meeting shall be borne by the non-profit association. If the general meeting is called on the demand of members or if members themselves call the meeting, the members who requested calling the general meeting or who called the general meeting may be required to cover the costs by a resolution of the general meeting which receives at least two-thirds of the votes represented at the general meeting.

[RT I 2009, 13, 78 – entry into force 01.07.2009]



## **§ 22. Resolution of general meeting**

(1) A resolution of the general meeting is adopted if over one-half of the members or their representatives of the non-profit association who participate in the meeting vote in favour of the resolution unless the articles of association prescribe a greater majority requirement.

(1<sup>1</sup>) In the election of a person at a general meeting, the candidate who receives more votes than the others shall be deemed to be elected unless a greater majority requirement is established by the articles of association. Upon an equal division of votes, lots shall be drawn unless the articles of association prescribe otherwise.

(2) [Repealed – RT I 1998, 59, 941 – entry into force 10.07.1998]

(3) If a resolution of the general meeting is made pursuant to the procedure provided for in § 221 of this Act, the resolution shall be adopted if more than one-half of the votes are in favour, unless the law or the articles of association prescribe a greater majority requirement.  
[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

(4) Each member of a non-profit association has one vote. A member shall not vote if release of the member from obligations or liabilities, conclusion of a transaction between the member and the non-profit association, or conduct of a legal dispute with the member or appointment of a representative of the non-profit association in such legal dispute or transaction, or issues related to the monitoring or evaluation of the activities of a member or representative thereof in the capacity of a member of the management board or other body, is being decided. The votes of such member shall not be taken into account in the determination of representation.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(5) The consent of a member is required to extinguish or alter a right of the member which is different from the rights of other members of the non-profit association and to impose obligations on the members which are different from the obligations of other members.

(6) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

## **§ 22<sup>1</sup>. Adoption of resolution without calling general meeting**

(1) The members have the right to adopt resolutions without calling the general meeting, unless the articles of association of the non-profit association prescribe otherwise.

(2) The management board shall send a draft of the resolution specified in subsection 1 of this section in a format which can be reproduced in writing to all members, specifying the term during which the member must present his or her position on it in a format which can be reproduced in writing. The term set for the members to present their positions shall be at least seven days, unless the articles of association prescribe a longer term. If the articles of association of a non-profit association prescribe a number of votes required for the general meeting to have a quorum, this shall also apply to the adoption of resolutions without calling a meeting.

(3) The management board shall prepare a record of voting concerning the voting results and shall immediately send it to the members. A record of voting shall set out:

- 1) the name and registered office of the non-profit association;
- 2) the name of the recording secretary;
- 3) the adopted resolutions together with the voting results, including the names of the members who voted in favour of the resolutions;
- 4) at the request of a member who maintains a dissenting opinion with regard to a resolution, the content of the dissenting opinion of the member;
- 5) other circumstances of importance with regard to the vote.

(4) The copies of the positions of members specified in subsection 2 of this section shall be an integral part of the record of voting.

(5) The provisions of subsections 2–4 of this section shall not apply if all the members of the non-profit association agree to a resolution and sign it.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

## **§ 23. Amendment of articles of association**

(1) A resolution on amendment of the articles of association is adopted if over two-thirds of the members or their representatives who participate in the general meeting vote in favour and the articles of association do not prescribe a greater representation requirement.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(1<sup>1</sup>) The consent of at least 9/10 of the members is required to change the objective of the non-profit association prescribed in the articles of association unless the articles of association prescribe a greater majority requirement. The consent of members who did not participate in the general meeting which decided on an amendment shall be submitted in writing.

(2) An amendment of the articles of association enters into force as of entry in the register. The minutes of the general meeting which decided on amendment of the articles of association and the new text of the articles of association shall be appended to a petition for entry of the amendment of the articles of association in the register. The new text of the articles of association shall be signed by at least one member of the management board or, if the members of the management board are only authorised to represent the association jointly, by all the members of the management board authorised to represent the association jointly.

#### **§ 24. Invalidation of resolution of general meeting**

(1) On the basis of an action filed against the non-profit association, a court may declare invalid a resolution of a general meeting which is in conflict with the law or the articles of association. The limitation period for a claim shall be three months as of adoption of the resolution.

(2) The declaration of invalidity of a resolution cannot be demanded if the general meeting has approved the resolution with a new resolution and the action specified in subsection 1 has not been filed within the term specified in subsection 1 of this section.

(3) The management board and every member of the management board can demand the declaration of invalidity of a resolution of the general meeting if the implementation of the resolution would entail criminal offence or misdemeanour or it would apparently bring about an obligation to compensate for damage, and a member of the non-profit association who did not participate in the adoption of the resolution. A member of the non-profit association who participated in the adoption of the resolution may demand the declaration of invalidity of a resolution only if his or her objection to the decision has been recorded.

(4) Upon filing of an action, the court shall not hear the matter before the term specified in subsection 1 of this section expires. Different actions for declaring the same resolution invalid shall be joined in one proceeding.

(5) A court judgment for repeal of a resolution of the general meeting applies to all members of the non-profit association and the management board regardless of their participation in the court proceedings.

(6) In the case when an entry had been made to the non-profit associations and foundations register on the basis of the resolution which had been declared invalid, the court shall send a copy of the court judgment to the registrar for amendment of the entry.

(7) Invalidation of resolutions of other bodies of a non-profit association may also be requested pursuant to the procedure provided for in subsections 1–6 of this section.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

#### **§ 24<sup>1</sup>. Nullity of resolution of general meeting**

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(1) A resolution of the general meeting is void if the minutes of the general meeting which adopted the resolution have not been notarised in the case prescribed by law or the procedure for calling a general meeting was violated in the adoption of the resolution, the resolution violates a provision of law established for the protection of creditors of the non-profit association or due to other public interest or is contrary to good morals. A resolution is also void in other cases provided by law.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) The nullity of a resolution may be relied on in court proceedings by filing an action or an objection.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(3) The nullity of a resolution cannot be relied on if an entry has been made in the non-profit associations and foundations register on the basis of the resolution and two years have passed from the making of the entry.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

(4) The provisions of subsections 5–7 of § 24 of this Act apply correspondingly to the court proceedings for establishment of the nullity of a resolution.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

#### **§ 25. Meeting of representatives**

(1) The articles of association of a non-profit association may prescribe that the duties of the general meeting to the extent specified by the articles of association are performed by a meeting of proxies elected by and from among the members of the non-profit association. The number of proxies and the procedure for their election shall be prescribed by the articles of association. All members of the non-profit association have the right to participate in the election of proxies.

(2) The provisions of this Act concerning the general meeting apply to the meeting of proxies unless otherwise prescribed by law or the articles of association.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) The articles of association may prescribe that certain resolutions of the meeting of proxies enter into force after approval by the members of the non-profit association. The time and procedure for voting shall be prescribed in the articles of association.

(4) The meeting of proxies shall not have the right to amend the articles of association with respect to the part which regulates the division of competence between the general meeting and the meeting of proxies. Prescribing the meeting of proxies does not preclude or restrict calling the general meeting by the members of the non-profit association.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

## **§ 26. Management board**

(1) A non-profit association shall have a management board which manages and represents the association. The management board may have one member (director) or several members.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) Members of the management board must be natural persons with active legal capacity.

(2<sup>1</sup>) A person with respect to whom a court has, pursuant to §§ 49 or 49<sup>1</sup> of the Penal Code, imposed a prohibition on acting as a member of the management board or a prohibition on business, a person who is prohibited from operating within the same area of activity as the non-profit association, or a person who is prohibited to act as a member of the management board on the basis of law or a court decision shall not be a member of the management board.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) [Repealed – RT I, 20.04.2017, 1 – entry into force 15.01.2018]

## **§ 27. Right of representation of management organ**

(1) Every member of the management board has the right to represent the non-profit association in concluding all transactions unless otherwise provided by law.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) The articles of association may prescribe that all or some of the members of the management board may represent the non-profit association only jointly. Such restriction applies with regard to third persons only if it is entered in the register.

(3) Upon concluding transactions on behalf of a non-profit association, the members of the management board are required to adhere, with respect to the non-profit association, the restrictions prescribed by the articles of association or established by the general meeting or the management board. A restriction on the right of representation does not apply to third persons.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(4) The management board may transfer or encumber with a real right immovables or movables of the non-profit association entered in the register by a resolution of the general meeting and under the conditions prescribed by the resolution unless the articles of association prescribe otherwise. Such restriction applies with regard to third persons if it is entered in the register.

(5) A transaction concluded between a non-profit association and a member of the management board is void if a general meeting does not agree to the transaction. This does not apply to transactions concluded in the course of the everyday economic activities of the non-profit association or based on the market price of a service.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) A member of the management board has no right to represent the non-profit association in the conclusion of transactions for which, pursuant to law, the general meeting shall separately decide on the appointment of representatives.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

## **§ 28. Appointment and competence of management board**

(1) In order to appoint a member of the management board, his or her consent is required.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(1<sup>1</sup>) A member of the management board shall be elected for a specified term of three years unless the articles of association prescribe another term. The articles of association shall not prescribe a term of office longer than five years for the members of the management board. Extension of the term of office of a member of the management board shall not be decided earlier than one year before the planned date of expiry of the term of office, and not for a period longer than the maximum term of office prescribed by law or the articles of association. A resolution for extension of the term of office of a member of the management board entered in the register shall be immediately submitted to the registrar.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) A member of the management board may be removed by a resolution of the general meeting at any time regardless of the reason. Rights and obligations arising from a contract entered into with him or her terminate pursuant to the contract.  
[RT I 2009, 13, 78 – entry into force 01.01.2010]

(3) The articles of association may prescribe that a member of the management board may be removed only in the case of significant non-performance of duties, incapacity to direct the non-profit association or with other good reason.

(3<sup>1</sup>) A member of the management board may resign from the management board regardless of the reason by giving the notice thereof to the body that appointed him or her. Rights and obligations arising from contracts entered into with a member of the management board terminate pursuant to the contracts. The provisions of the Law of Obligations Act concerning cancellation of authorisation agreement apply to cancellation of the contract of a member of the management board. The previous sentence shall also apply to the removal of a member of the management board.  
[RT I 2009, 51, 349 – entry into force 15.11.2009]

(3<sup>2</sup>) If an entry made in the register concerning a member of the management board becomes incorrect due to the removal or resignation of the member of the management board, the provisions of § 82 of this Act apply.  
[RT I 2009, 51, 349 – entry into force 15.11.2009]

(4) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

(5) The management board shall provide the members of the non-profit association with necessary information concerning management of the non-profit association and present a corresponding report at their request unless the articles of association prescribe otherwise.

(6) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 28<sup>1</sup>. Remuneration of members of management board**

(1) Remuneration may be paid to members of the management board unless the articles of association prescribe otherwise. The amount of remuneration payable to a member of the management board and the procedure for payment shall be determined by a resolution of the general meeting.

(2) Upon determining the procedure for remuneration of the members of the management board and the amount of fees and other benefits, and upon concluding contracts with the members of the management board, the general meeting shall ensure that the total amount of the payments made by the non-profit association to the members of the management board are in reasonable proportion to the duties of the members of the management board and the economic situation of the non-profit association.

(3) If the economic situation of a non-profit association significantly deteriorates and further payment to a member of the management board of the fees established for or agreed upon with the member, or further allowing of other benefits to the member would be extremely unfair to the non-profit association, the non-profit association may require the decrease of the fees or benefits.

(4) The decrease specified in subsection 3 of this section does not affect other terms and conditions of contracts concluded with the member of the management board. If decrease of fees or other benefits is demanded, the member of the management board may exercise the right to extraordinary cancellation of a contract concluded with him or her upon one month's advance notice of cancellation.

(5) Upon declaration of bankruptcy of a non-profit association and termination of the contract of a member of the management board, the member of the management board has the right to demand, in the course of the bankruptcy proceeding, compensation of the damage caused by the termination of the contract within one year after the date of termination of the contract.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 29. Resolution of management board**

(1) A management board may adopt resolutions if over one-half of the members of the management board participate in a meeting of the management board and the articles of association do not prescribe a greater representation requirement.

(2) If the management board comprises several members, a majority of votes of the members of the management board who participate in the meeting of the management board is required to adopt a resolution of the management board unless the articles of association prescribe a greater majority requirement.

(3) Without observing the provisions of subsection 1 of this section, a management board may adopt a resolution without calling a meeting if all members of the management board vote in favour of the resolution in writing and the articles of association do not prescribe otherwise.

(4) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 30. Appointment of member of management board by court**

With good reason, which above all is the temporary or extended inability of a member of a management board to perform his or her duties, a court may appoint a new member to replace a withdrawn member of the management board at the request of an interested person. A court-appointed member of the management board has the right to compensation for reasonable expenses on the account of the non-profit association and a reasonable remuneration which, in the event of a dispute, a court shall specify by a ruling. The authority of a court-appointed member of the management board continues until the appointment of a new member of the management board by the general meeting or in another manner prescribed by the articles of association.  
[RT I 2005, 39, 308 – entry into force 01.01.2006]

### **§ 31. Other bodies**

(1) The articles of association may prescribe that another body in addition to the management board be appointed for the conclusion of specific transactions, the competence and procedure for foundation of which shall be prescribed by the articles of association.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 32. Liability of member of management board or other body**

(1) A member of the management board shall perform his or her obligations with the diligence normally expected from a member of the management board.

(2) Members of the management board who cause damage to the non-profit association by violation of their obligations shall be solidarily liable for compensation for the damage caused. A member of the management board is released from liability if he or she proves that he or she has performed his or her obligations with diligence normally expected from a member of the management board.

(3) The limitation period for assertion of a claim against a member of the management board is five years unless the articles of association of the non-profit association or an agreement with the member of the management board prescribes another limitation period.

(4) A claim for payment of compensation to a non-profit association for damage specified in subsection 2 of this section may also be submitted by a creditor of the non-profit association if the assets of the non-profit association are not sufficient to satisfy the claims of the creditor. In the case of declaration of bankruptcy of a non-profit association, only a trustee in bankruptcy may file a claim on behalf of the non-profit association.

(5) A creditor or trustee in bankruptcy has the right to file the claim specified in subsection 4 of this section also if the non-profit association has waived the claim against a member of the management board or has entered into a contract of compromise with such member or, upon agreement with the member of the management board, has limited the claim or filing thereof in another manner or reduced the limitation period.

(6) This section shall also apply with regard to the liability of a member of another body.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 33. Departments**

(1) A non-profit association may have departments if this is prescribed by the articles of association. Departments are not legal persons.

(2) The bodies of departments and their competence shall be prescribed by the articles of association of the non-profit association. If a department has its own general meeting and management board, the provisions of §§ 18–22, 24–26, 28–30 and 32 of this Act apply thereto.

### **§ 34. Supervision**

(1) The general meeting supervises the activities of other bodies. In order to perform this duty, the general meeting may call for a review or audit.

(1<sup>1</sup>) A member of the management board or an accountant of the non-profit association shall not be a controllers or auditor.

(2) The members of the management board and of other bodies shall enable controllers or auditors to examine all documents necessary for conduct of a review or audit and shall provide necessary information.

(3) Controllers and auditors shall prepare a report concerning the results of a review or audit, which they shall present to the general meeting.

### **§ 35. Accounting**

The management board shall organise the accounting of the non-profit association pursuant to the Accounting Act.

[RT I 2005, 39, 308 – entry into force 01.01.2006]

### **§ 36. Annual report**

(1) After the end of a financial year, the management board shall prepare the annual report pursuant to the procedure provided for in the Accounting Act. The annual report shall be approved and executed pursuant to the provisions of § 25 of the Accounting Act.

[RT I, 30.12.2015, 4 – entry into force 01.02.2016]

(2) The management board shall submit the approved report to the general meeting. If a non-profit association has an auditor or revision committee, the sworn auditor's report or the opinion of the revision committee shall be appended to the report.

[RT I, 30.12.2015, 4 – entry into force 01.02.2016]

(3) Approval of the annual report shall be decided by the general meeting. At least one-fifth of the members of a non-profit association may request from the non-profit association that the auditor who prepared the sworn auditor's report or the controller who provided the opinion participate in the making of the decision to approve the annual report, and provide explanations concerning the sworn auditor's report or the opinion if the shareholders have submitted the corresponding written request at least five days before the general meeting.

[RT I 2010, 9, 41 – entry into force 08.03.2010]

(4) [Repealed – RT I, 30.12.2015, 4 – entry into force 01.02.2016]

(5) The management board shall submit the annual report to the register together with information concerning the principal activity of the accounting year pursuant to the Classification of Economic Activities established on the basis of subsection 6 of § 4 of the Commercial Code within six months after the end of the financial year. Submission of information concerning the principal activity of the accounting year shall be based on the area of activity on which the most working hours have been spent or for which the largest amount of other resources have been used during the accounting year.

[RT I 2009, 54, 363 – entry into force 01.01.2010]

(5<sup>1</sup>) If the general meeting does not adopt a resolution to approve the annual report, the management board submits the unapproved annual report with the respective notation to the commercial register.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

### **§ 36<sup>1</sup>. Failure to submit annual report**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

## **Chapter 5 WINDING-UP**

### **§ 37. Bases for dissolution**

A non-profit association is dissolved:

1) upon a decrease of the number of members of the non-profit association to below two or another number specified by law or the articles of association;

2) on other grounds provided for in § 39 of the Act on the General Part of the Civil Code.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 38. Dissolution by resolution of general meeting**

Dissolution of a non-profit association may always be decided by a resolution of the general meeting. A resolution is adopted if over two-thirds of the members who participate in or are represented at the general meeting vote in favour and the articles of association do not prescribe a greater majority requirement.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 39. Economic difficulties of non-profit association and obligation to submit bankruptcy petition**

[RT I, 20.06.2022, 1 – entry into force 01.07.2022]

Where the economic position of a non-profit association has deteriorated and it is likely to become insolvent in the future, the management board of the non-profit association must take steps to overcome the economic difficulties, restore its liquidity, improve its profitability and ensure its sustainable management, including consider the filing of a reorganisation petition. Where a non-profit association is insolvent and the insolvency, due to the economic situation of the non-profit association, is not temporary, the management board must without delay but not later than within twenty days after the date on which the insolvency became evident, submit the bankruptcy petition of the non-profit association to a court. After insolvency has become evident, the members of the management board may no longer make payments on behalf of the non-profit association, except in the case where making the payments in the situation of insolvency conforms to the diligence normally expected from a member of the management board. The members of the management board are required to solidarily compensate to the non-profit association any payments made by the non-profit association after the insolvency of the non-profit association became evident which, under the circumstances in question, were not made with the diligence normally expected from a member of the management board. The provisions of § 32 of this Act apply to the liability of the members of the management board.

[RT I, 20.06.2022, 1 – entry into force 01.07.2022]

### **§ 40. Compulsory dissolution**

(1) A non-profit association is dissolved by a court ruling at the request of the minister in charge of the policy sector or another interested person:

- 1) if the activities of the non-profit association do not comply with the objectives in the articles of association;
- 2) if economic activity becomes the main activity of the non-profit association;
- 3) on other grounds provided for in § 40 of the Act on the General Part of the Civil Code.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) A court may also decide the compulsory dissolution on its own initiative unless otherwise provided by law.  
[RT I 2005, 39, 308 – entry into force 01.01.2006]

### **§ 41. Petition for dissolution**

(1) Upon dissolution of a non-profit association, the management board shall submit a petition for entry of the dissolution in the register.

(2) If a resolution of the general meeting is the basis for dissolution, the resolution of the general meeting and the minutes of the general meeting shall be appended to the petition.

(3) If a non-profit association is dissolved on the basis of a court ruling, the court shall send the ruling to the registrar for entry.

(4) [Repealed – RT I, 05.05.2022, 1 – entry into force 01.02.2023]

### **§ 42. Liquidation**

(1) A non-profit association is liquidated (liquidation proceeding) upon dissolution unless otherwise provided by law.

(2) In a liquidation proceeding, the notation “*likvideerimisel*” [in liquidation] shall be appended to the name of the non-profit association.

### **§ 43. Liquidators**

(1) The liquidators of a non-profit association are the members of the management board unless the articles of association or a resolution of the general meeting prescribe otherwise. Upon compulsory dissolution, a court shall appoint the liquidators and specify the procedure for and amount of remuneration of liquidators.

(2) A natural person who is prohibited from acting as a member of the management board shall not be a liquidator.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) At least one-half of the liquidators must be persons whose residence is in Estonia.

(4) A liquidator who is a member of the management board, or who has been appointed by a resolution of the general meeting or in accordance with the articles of association can be recalled at any time by a resolution of the general meeting. In order to adopt such resolution, a majority of votes equal to the majority of votes necessary for appointment of a liquidator is needed.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(5) A court may recall a liquidator appointed by the court, and to appoint a new liquidator. Based on the demand of at least one-tenth of the members of a non-profit association, a court may also recall, for a good reason, a liquidator who is a member of the management board, or who has been appointed by a resolution of the general meeting or in accordance with the articles of association, and to appoint a new liquidator.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) A liquidator may resign for the same reasons and pursuant to the same procedure as a member of the management board.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 44. Entry of liquidator**

(1) The management board submits a petition for entry of the first liquidators in the register. The resolution of the members, the minutes of the general meeting or the record of voting which constitutes the basis for the appointment of a liquidator is appended to the petition. A petition for entry in the register of a change of liquidator or the right of representation of a liquidator is submitted by the liquidators. The resolution of the members, the minutes of the general meeting or the record of voting which constitutes the basis for the change of a liquidator or the right of representation of a liquidator is appended to the petition. All liquidators submit to the registrar a written confirmation concerning their right pursuant to law to act as liquidators.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(2) If a liquidator is appointed by a court ruling, the court shall send the ruling to the registrar for entry.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) The names and personal identification codes of the liquidators shall be entered in the register.

[RT I 2006, 61, 456 – entry into force 01.01.2007]

#### **§ 45. Rights and obligations of liquidators**

(1) Liquidators have the rights and obligations of the management board which are not contrary to the nature of liquidation. Liquidation does not affect the legal relationships between the members or between the members and the non-profit association unless otherwise provided by law and the nature of liquidation.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) Liquidators terminate the activities of the non-profit association, collect debts, sell assets, satisfy the claims of creditors and distribute the assets remaining after satisfaction of the claims of creditors among entitled persons.

(3) Liquidators need not sell assets unless this is necessary for satisfaction of the claims of creditors or for distribution of remaining assets among entitled persons, and the general meeting consents thereto.

(4) Liquidators may only enter into transactions which are necessary for liquidation of the non-profit association.

#### **§ 46. Right of representation of liquidators**

The right of representation of liquidators who are members of the management board does not change upon liquidation unless the articles of association, a resolution of the general meeting or a court ruling prescribes the changing of the right of representation into joint representation or sole representation. Liquidators appointed by a resolution of the general meeting or a court ruling may represent the non-profit association only jointly, unless the resolution of the general meeting or a court ruling prescribe that all or some of the liquidators may represent the non-profit association alone or jointly. A division of the right of representation which differs from the right of representation prescribed by law applies to third persons only if it has been entered in the register.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 46<sup>1</sup>. Accounting during liquidation**

(1) A non-profit association undergoing liquidation organises its accounting pursuant to the procedure provided by the Accounting Act unless otherwise provided by the law or the nature of liquidation.



(2) Upon adoption of the dissolution resolution, the liquidators prepare a liquidation report. The liquidation report is approved by the general meeting and it must be submitted to the registrar within four months after the adoption of the dissolution resolution.

(3) With the adoption of the dissolution resolution, the current financial year of the non-profit association ends and a new financial year begins. A change of the previous financial year period may be decided by the dissolution resolution pursuant to subsection 2 of § 13 of the Accounting Act.

(4) Where 12 months have passed since the beginning of the new financial year specified in subsection 3 of this section, and the liquidation process has not yet ended, an interim liquidation report is prepared as of the end of each financial year following the dissolution.

(5) A non-profit association has the obligation to audit the liquidation report and interim liquidation report in case the audit obligation applied to the latest annual accounts before the dissolution resolution or it would apply to the liquidation report or interim liquidation report, taking into account the requirements provided by the Auditors Activities Act.

(6) A court may release a non-profit association from the obligation to audit the liquidation report or interim liquidation report if the financial situation of the non-profit association is so clear that the audit is evidently not necessary in the interests of the persons entitled to the assets of the non-profit association according to the articles of association, or the creditors.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

#### **§ 47. Notification of creditors**

(1) Liquidators shall promptly publish a notice of the liquidation proceeding of a non-profit association in the official publication *Ametlikud Teadaanded*. The liquidators shall send a notice of liquidation to the known creditors.

(2) A notice of liquidation must indicate that creditors are to submit their claims within four months after publication of the notice.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

#### **§ 48. Submission and satisfaction of claims**

(1) Creditors shall notify liquidators of all their claims against a non-profit association within two months after publication of the notice of liquidation. A notice shall set out the content, basis and amount of the claim, and documents substantiating the claim shall be appended thereto. Failure to notify of a claim on time does not affect the validity of the claim or restrict the right of the creditor to file an action with a court against the non-profit association being liquidated.

(2) Liquidators shall satisfy the claims of creditors of which the non-profit association is aware regardless of whether or not notification of such claims has been given.

(3) If a creditor known to the non-profit association has not filed a claim and the claim cannot be satisfied for reasons independent of the non-profit association, the money which belongs to the creditor shall be deposited if the conditions for depositing exist.

(4) If an obligation cannot be performed during liquidation or if a claim is under dispute, the assets of the non-profit association cannot be distributed between the entitled persons unless the contested amount of money has been deposited and the creditor has been granted sufficient security.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 49. Submission of bankruptcy petition upon liquidation**

If the assets of a non-profit association being liquidated are insufficient for satisfaction of all claims of creditors, the liquidators shall submit a bankruptcy petition.

#### **§ 49<sup>1</sup>. Final liquidation report**

(1) After satisfaction of the claims of all creditors and the deposit of money, the liquidators prepare the final liquidation report, including a distribution plan for the assets remaining upon liquidation which constitutes a part of the final liquidation report.

(2) A non-profit association has the obligation to audit the final liquidation report in case the audit obligation applied to the latest annual accounts before the dissolution resolution or it would apply to the final liquidation report, taking into account the requirements provided by the Auditors Activities Act.

(3) The liquidators must present the final liquidation report to all members for examination at the registered office of the non-profit association and notify the members thereof.

(4) If the provisions of law or of the articles of association, or the resolutions of the general meeting have not been observed in the preparation of the final liquidation report, a court may, based on an action of at least two-thirds of the members, order preparation of a new final liquidation report, or supplementary liquidation. Such action may be filed within two months after the date on which the members were informed that the final liquidation report would be presented to the members for examination. The non-profit association will be the defendant.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

#### **§ 50. Distribution of assets**

(1) After satisfying or guaranteeing all the creditors' claims and depositing the money, the remaining assets shall be distributed among the persons entitled by the articles of association.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) The articles of association may prescribe that the entitled persons are to be designated upon the distribution of assets by a resolution of the general meeting.

(3) If the articles of association or a resolution of the general meeting do not prescribe among whom assets of a non-profit association are to be distributed, and if pursuant to the articles of association the non-profit association was founded only in the interests of its members, assets shall be distributed in equal parts among the persons who are members of the non-profit association at the time of dissolution of the non-profit association.

(4) If assets cannot be distributed on the bases prescribed for in subsections 1–3 of this section, the assets transfer to the state which shall use the assets to the extent possible according to the objectives of the non-profit association.

(5) Upon compulsory dissolution of a non-profit association on the basis that its objectives or activities are contrary to the constitutional order, criminal law or good morals, the assets remaining after satisfaction of the claims of creditors transfer to the state.

(6) Assets shall not be distributed among entitled persons within six months after the entry of the dissolution of the non-profit association in the register and publication of the notice of liquidation.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 51. Continuation of activities of dissolved non-profit association**

(1) If dissolution of a non-profit association is prescribed by the articles of association or is decided by the general meeting, the general meeting may, until commencement of the distribution of assets, decide on continuation of the activities of the non-profit association or on merger or division of the non-profit association. A resolution on continuation of activities is adopted if over two-thirds of the members who participate in or are represented at the general meeting vote in favour.

(2) If continuation of activities is decided, the same resolution shall appoint the new management board and the members of other bodies prescribed by the articles of association.

(3) The liquidators submit a petition for entry of the continuation of activities in the register. The petition is also signed by the new member of the management board. The resolution of the members, the minutes of the general meeting or the record of voting which constitutes the basis for the continuation of activities is appended to the petition. The resolution on continuation of activities enters into force upon its entry in the register.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

#### **§ 51<sup>1</sup>. Continuation of activities of non-profit association deleted from register**

(1) The general meeting may decide on continuation of the activities of a non-profit association deleted from the register pursuant to § 61 or 62 of the Commercial Register Act.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023, amended in part [RT I, 23.12.2022, 2]]

(2) A resolution on continuation of activities is adopted if more than two-thirds of the members who participate in or are represented at the general meeting vote in favour.

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

#### **§ 52. Deletion from register and supplementary liquidation**

(1) After the completion of liquidation, the liquidators shall submit a petition for deletion of the non-profit association from the register.

(2) If after deletion of a non-profit association from the register it becomes evident that the non-profit association has remaining assets which were not distributed and supplementary liquidation measures are

necessary, a court may, at the request of an interested person, order supplementary liquidation and restore the rights of the former liquidators or appoint new liquidators.

(3) At the request of a creditor of a non-profit association, liquidation may be conducted after the deletion of the non-profit association from the register only if the creditor substantiates that the claim of the creditor against the non-profit association was not satisfied in the liquidation proceeding, it is not possible for the creditor to satisfy the claim in any other manner and it is possible to satisfy the claim of the creditor upon restoration of the liquidation, or if the non-profit association should not have been deleted from the register due to a dispute over the claim. The petition of a creditor for supplementary liquidation shall not be satisfied, among other things, if the creditor failed to submit a claim to the liquidator in time without good reason.  
[RT I 2005, 39, 308 – entry into force 01.01.2006]

### **§ 53. Deletion of non-profit association from register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

### **§ 54. Preservation of documents**

(1) The liquidators shall deposit the documents of a non-profit association to a liquidator, a person maintaining an archive or another trustworthy person. If the liquidators have not appointed a depository of documents, a court shall appoint one if necessary. The documents shall be deposited in Estonia.  
[RT I, 20.04.2017, 1 – entry into force 15.01.2018]

(2) The name, residence or registered office, personal identification code or registry code and e-mail address of the depository of documents are entered in the register based on the petition of the liquidators or, in the case of a court-appointed depository, on the basis of the court ruling. The depository of documents is replaced and a new depository is entered in the register based on a court ruling.  
[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(3) The depository of documents shall be responsible for the preservation, during the term prescribed for by law, of the documents deposited with the depository.

(4) Members and their legal successors, the creditors of the non-profit association, and other persons with a legitimate interest in the matter have the right to examine the deposited documents. If the depository of documents does not enable an entitled person to examine the documents, the entitled person may, within two weeks after receipt of the refusal or within four weeks after submitting the request, if the request has not been answered, file a petition in proceedings in petition with a court for requiring the depository to enable the examination of the documents.  
[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

### **§ 55. [Repealed – RT I 2002, 53, 336 – entry into force 01.07.2002]**

## **Chapter 6 MERGER AND DIVISION**

### **Subchapter 1 Merger**

#### **§ 56. Definition of merger**

(1) A non-profit association (non-profit association being acquired) may merge with another non-profit association (acquiring non-profit association). Articles of association may prescribe that merger is or is not allowed only under the conditions prescribed by the articles of association. A non-profit association being acquired shall be deemed to be dissolved.

(2) Non-profit associations may also merge such that they form a new non-profit association. In such case, the merging non-profit associations shall be deemed to be dissolved.

(3) Merger is effected without a liquidation proceeding.

(4) Upon merger, the assets (rights and obligations) of a non-profit association being acquired transfer to the acquiring non-profit association. Upon foundation of a new non-profit association, the assets of the merging non-profit associations transfer to it.

(5) The members of a non-profit association being acquired become members of the acquiring non-profit association upon merger. Upon foundation of a new non-profit association, the members of the merging non-profit associations become its members.

(6) A non-profit association may only merge with another non-profit association.

(7) In the cases provided by law, the permission of a competent agency is required for merger.

### **§ 57. Merger agreement**

(1) In order to merge, the management boards of the non-profit associations shall enter into a merger agreement. Rights and obligations arise from a merger agreement after approval of the agreement pursuant to the procedure provided for in § 58 of this Act. The merger agreement shall set out:

1) the names and registered offices of the non-profit associations;

1<sup>1</sup>) an agreement to transfer all the assets of the non-profit association being acquired to the acquiring non-profit association in exchange for transfer of membership of the acquiring non-profit association;  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

2) the rights which the acquiring non-profit association grants to the members of the non-profit association being acquired;

3) the consequences of merger for the employees of the non-profit association being acquired.

(2) A merger agreement shall be in writing.

(3) If an approved merger agreement is conditional and the condition is not fulfilled within five years after entry into the agreement, a non-profit association may terminate it by giving at least six months' advance notice of termination unless the merger agreement prescribes a shorter term for advance notice.

### **§ 58. Merger resolution**

(1) Rights and obligations arise from a merger agreement if the merger agreement is approved by all merging non-profit associations. A merger resolution shall be in writing.

(2) A merger resolution is adopted if over two-thirds of the members who participate in or are represented at the general meeting vote in favour and the articles of association do not prescribe a greater majority requirement.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 58<sup>1</sup>. Contestation of merger resolution**

On the petition of a member of the non-profit association or a member of the management board, a court may declare invalid a merger resolution which is in conflict with the law, the memorandum of association or the articles of association if the request is submitted within one month after the resolution is made.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 59. Protection of creditors**

(1) Immediately after a merger has been entered on the registry card of the acquiring non-profit association, the acquiring non-profit association shall publish a merger notice to the creditors of the acquired non-profit associations in the publication *Ametlikud Teadaanded*, informing them of the possibility to submit, within six months after the publication of the notice, their claims to the acquiring non-profit association in order to receive a security.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) The acquiring non-profit association must secure the claims of the creditors of the non-profit associations being acquired within six months after the publication of the notice specified in subsection 1 of this section, if the creditors have no possibility to demand satisfaction of the claims and they prove that the merger may endanger the fulfilment of the claims.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 60. Submission of petition to register**

(1) The management board of a merging non-profit association shall submit a petition for entry of the merger in the register after one month after approval of the merger agreement. The following shall be appended to the petition:

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

1) a notarised copy of the merger agreement;

2) the merger resolution;

3) the permission for merger, if required;

4) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) In a petition, the members of the management board shall confirm that the merger resolution is not contested or that a petition for contestation has been denied.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(3) The management board of the acquiring non-profit association may also submit a petition for entry of merger of the non-profit association being acquired in the register.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

#### **§ 61. Name of acquiring non-profit association**

An acquiring non-profit association may continue activities under the name of a non-profit association being acquired.

#### **§ 62. Merger entry**

(1) A merger shall be entered on the registry card of the acquiring non-profit association if it is entered on the registry cards of all non-profit associations being acquired. An entry on the registry card of a non-profit association being acquired shall indicate that the merger is deemed to be effected as of its entry on the registry card of the acquiring non-profit association.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) The petitions related to merger shall be joined in one proceeding.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

#### **§ 63. Legal effect of entry and compensation for damage caused by merger**

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(1) The assets (rights and obligations) of a non-profit association being acquired transfer to the acquiring non-profit association as of entry of the merger on the registry card of the acquiring non-profit association. After entry of a merger on the registry card of the acquiring non-profit association, entries regarding the transfer of assets shall be made in the land register and movable property registers on the basis of a petition of the acquiring non-profit association.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) A non-profit association being acquired shall be deemed to be dissolved as of entry of the merger on the registry card of the acquiring non-profit association. The registrar shall delete the non-profit association being acquired from the register.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(3) The members of a non-profit association being acquired become members of the acquiring non-profit association as of entry of the merger on the registry card of the acquiring non-profit association.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(4) A merger shall not be contested after its entry on the registry card of the acquiring non-profit association.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(5) The members of the management board of a merging non-profit association shall be solidarily liable for damage wrongfully caused to the non-profit association, members thereof or creditors of the non-profit association by the merger.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) The limitation period for a claim specified in subsection 5 of this section shall be five years from entry of the merger on the registry card of the acquiring non-profit association.  
[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

#### **§ 64. Merger whereby new non-profit association founded**

(1) The provisions of §§ 56-63 of this Act together with other complementary provisions prescribed by law apply to merger whereby a new non-profit association is founded.

(2) The provisions regarding non-profit associations being acquired apply to merging non-profit associations, and the provisions regarding acquiring non-profit associations apply to non-profit associations being founded. Non-profit associations shall be deemed to be merged as of entry of a new non-profit association in the register.

(3) The provisions for foundation of non-profit associations apply to foundation of new non-profit associations unless the provisions of this chapter provide otherwise. The founders are the merging non-profit associations.

(4) In addition to the provisions of subsection 1 of § 57 of this Act, a merger agreement shall set out the name and registered office, and the members of the management board of the new non-profit association. The articles of association of the non-profit association being founded which shall be approved by the merger resolution shall be appended to the merger agreement.

(5) The management board of a merging non-profit association shall submit a petition for entry of the merger in the register.

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

(6) The management boards of merging non-profit associations shall submit a joint petition for entry of the new non-profit association in the register.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

## **Subchapter 2 Division**

### **§ 65. Definition of division**

(1) Division is effected without a liquidation proceeding by distribution or separation. Articles of association may prescribe that division is or is not allowed only under the conditions prescribed by the articles of association.

(2) Upon distribution, a non-profit association being divided transfers its assets to the recipient non-profit associations. A recipient non-profit association may be an existing non-profit association or a non-profit association being founded. Upon distribution, a non-profit association being divided shall be deemed to be dissolved.

(3) Upon separation, a non-profit association being divided transfers part of its assets to one or several recipient non-profit associations. A recipient non-profit association may be an existing non-profit association or a non-profit association being founded.

(4) Upon division, the members of a non-profit association being divided become members of the recipient non-profit associations pursuant to the division agreement.

(5) A non-profit association may only divide into non-profit associations and may only participate in the division of a non-profit association.

(6) In the cases provided by law, the permission of a competent agency is required for division.

### **§ 66. Division agreement**

(1) In order to divide, the management boards of the non-profit associations participating in division shall enter into a division agreement. Rights and obligations arise from a division agreement after approval of the agreement pursuant to the procedure provided for in § 67 of this Act. A division agreement shall set out:

- 1) the names and registered offices of the non-profit associations participating in division;
- 2) the rights which a recipient non-profit association grants to the members of the non-profit association being divided;
- 3) a list of assets to be transferred to each recipient non-profit association;
- 4) the consequences of division for the employees.

(2) A division agreement shall be in writing.

(3) If an approved division agreement is conditional and the condition is not fulfilled within five years after entry into the agreement, a non-profit association may terminate it by giving at least six months' advance notice of termination unless the division agreement prescribes a shorter term for advance notice.

### **§ 67. Division resolution**

(1) Rights and obligations arise from a division agreement if the division agreement is approved by all non-profit associations participating in the division. A division resolution shall be in writing.

(2) A division resolution is adopted if over two-thirds of the members who participate in the general meeting vote in favour and the articles of association do not prescribe a greater majority requirement.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

### **§ 67<sup>1</sup>. Contestation of division resolution**

On the petition of a member of a non-profit association or a member of the management board, a court may declare invalid a division resolution which is in conflict with the law, the memorandum of association or the articles of association if the request is submitted within one month after the resolution is made.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

**§ 68. [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]**

**§ 69. Submission of petition to register**

(1) The management board of a non-profit association participating in a division shall submit a petition for entry of the division in the register after one month after approval of the division agreement. The following shall be appended to the petition:

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

- 1) a notarised copy of the division agreement;
- 2) the division resolution;
- 3) the permission for division, if required.
- 4) [Repealed – RT I 2009, 13, 78 – entry into force 01.07.2009]

(2) In a petition, the members of the management board shall confirm that the division resolution is not contested or that a petition for contestation has been denied.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

**§ 70. Name of recipient non-profit association**

Upon division, a recipient non-profit association may continue activities under the name of the non-profit association being divided.

**§ 71. Division entry**

(1) A division shall be entered on the registry card of the non-profit association being divided if it is entered on the registry cards of all recipient non-profit associations. Entries on the registry cards of the recipient non-profit associations shall indicate that the division is deemed to be effected as of its entry on the registry card of the non-profit association being divided.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) The petitions related to division shall be joined in one proceeding.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

**§ 72. Legal effect of entry**

(1) All assets of a non-profit association being divided or, upon separation, the separated assets pursuant to the distribution prescribed in the division agreement, transfer to the recipient non-profit associations as of entry of the division on the registry card of the non-profit association being divided. After entry of a division on the registry card of the non-profit association being divided, entries regarding the transfer of assets shall be made in the land register and movable property registers on the petition of the recipient non-profit association.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) Upon division, a non-profit association being divided is dissolved as of entry of the division on the registry card of the non-profit association being divided. The registrar shall delete the non-profit association being divided from the register.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(3) The members of a non-profit association being divided become members of the recipient non-profit associations pursuant to the division agreement as of entry of the division on the registry card of the non-profit association being divided.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(4) Assets which are not divided upon division shall be divided among the recipient non-profit associations in proportion to their share in the assets being divided.

(5) A division shall not be contested after its entry on the registry card of the non-profit association being divided.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

**§ 73. Liability for obligations of non-profit association being divided**

(1) Non-profit associations participating in division are solidarily liable for the obligations of the non-profit association being divided which arise before entry of the division on the registry card of the non-profit association being divided. In relations between solidary debtors, only persons to whom obligations are assigned by the division agreement are obligated persons.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(2) A non-profit association participating in division to which obligations are not assigned by the division agreement is liable for the obligations of the non-profit association being divided if the due date for their fulfilment arrives within five years after entry of the division on the registry card of the non-profit association being divided.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(3) Immediately after a division has been entered on the registry card of the non-profit association being divided, the non-profit association participating in the division shall publish a division notice to the creditors of the non-profit associations participating in the division in the publication *Ametlikud Teadaanded*, informing them of the possibility to submit, within six months after the publication of the notice, their claims in order to receive a security.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

(4) The non-profit association participating in division must secure the claims of the creditors within six months after the publication of the notice specified in subsection 3 of this section, if the creditors have no possibility to demand satisfaction of the claims and they prove that the division may endanger the fulfilment of the claims.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(5) The members of the management board of a non-profit association participating in division shall be solidarily liable for damage wrongfully caused to the non-profit association, members thereof or creditors of the non-profit association by the division.

[RT I 2009, 13, 78 – entry into force 01.07.2009]

(6) The limitation period for a claim specified in subsection 5 of this section shall be five years from entry of the division on the registry card of the non-profit association being divided.

[RT I, 21.06.2014, 8 – entry into force 01.01.2015]

#### **§ 74. Division whereby new non-profit association founded**

(1) The provisions of §§ 65-73 of this Act together with other complementary provisions prescribed by law apply to division whereby a new non-profit association is founded.

(2) The provisions regarding recipient non-profit associations apply to non-profit associations being founded.

(3) The provisions for foundation of non-profit associations apply to foundation of new non-profit associations unless the provisions of this chapter provide otherwise. The founder is the non-profit association being divided.

(4) Upon division whereby a new non-profit association is founded, the management board of the non-profit association being divided shall prepare a division plan which substitutes for the division agreement. In addition to the provisions of subsection 1 of § 66 of this Act, a division plan shall set out the name and registered office, and the members of the management board of the new non-profit association. The articles of association of the non-profit association being founded, which shall be approved by the division resolution, shall be appended to the division plan.

(5) The management board of a non-profit association being divided shall submit a petition for entry of the new non-profit associations and the division in the register.

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

(6) The registrar shall enter each new non-profit association in the register and shall thereafter enter the division in the register and make a notation concerning each new non-profit association specifying when the division was entered in the register.

[RT I, 18.12.2012, 3 – entry into force 19.12.2012]

## **Chapter 7 NON-PROFIT ASSOCIATIONS AND FOUNDATIONS REGISTER**

#### **§ 75. Non-profit associations and foundations register**

[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

(1) The non-profit associations and foundations register is a part of the commercial register and the purpose of the maintenance thereof is to collect, preserve and disclose information on non-profit associations and foundations located in Estonia.

(2) The non-profit associations and foundations register is maintained by the registration department of Tartu County Court (hereinafter *registrar*).

(3) The provisions of legislation concerning the commercial register apply to non-profit associations and foundations, unless otherwise provided in this Act.



[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

**§ 76. Application of Commercial Code**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 77. Access to register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 78. Information to be entered in register and documents to be submitted to register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 78<sup>1</sup>. Personal data submitted to registrar**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 79. Entry in register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 80. Legal effect of entry**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 81. Notification obligation of administrative agencies**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 82. Making entry without petition**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 83. Composition of register**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 84. Registry card**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 85. Public files**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 86. Registry file**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 87. Registry journal**

[Repealed – RT I, 09.05.2017, 1 – entry into force 01.07.2017]

**§ 88. Registry code**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 89. Entries of registry card of non-profit association**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

**§ 89<sup>1</sup>. Removal from judgment on entry**

[Repealed - RT I, 05.05.2022, 1 - entry into force 01.02.2023]

## § 90. Procedure for storage of registry cards

[Repealed – RT I, 18.12.2012, 3 – entry into force 19.12.2012]

# Chapter 8 IMPLEMENTATION OF ACT

## § 91. Application of this Act to non-profit associations, their alliances and other non-profit associations

(1) As of 1 October 1996, non-profit associations may only be founded pursuant to the procedure provided for in this Act, and the provisions of this Act apply to them.

(2) The provisions of § 1, the first sentence of subsection 1 of § 2, § 3, subsections 2 and 3 of § 4, § 5, subsection 1 of § 12, the first sentence of subsection 2 of § 12, subsections 3 and 4 of § 12, §§ 13–22, subsections 1 and 1<sup>1</sup> of § 23, §§ 24–26, subsection 1 of § 27, the first sentence of subsection 2 of § 27, subsection 3 of § 27, the first sentence of subsection 4 of § 27, §§ 28–45, the first sentence of subsection 1 of § 46, subsection 2 of § 46, and §§ 47–55 of the Non-profit Associations Act apply to non-profit associations and their alliances, and to other non-profit associations founded before 1 October 1996 until their entry in the non-profit associations and foundations register. If the articles of association of a non-profit association, alliance of non-profit associations or other non-profit association is contrary to this Act, the provisions of this Act apply.

(3) Upon entry in the non-profit associations and foundations register of a non-profit association which was entered in the enterprise register the whole Non-profit Associations Act applies.

## § 92. Merger and Division

(1) Merger and division of non-profit associations entered in the register shall be effected pursuant to the procedure provided for in this Act. A non-profit association entered in the register shall not merge with a non-profit association, alliance of associations or other non-profit association which is not entered in the register.

(2) Merger and division of non-profit associations, alliances of associations and other non-profit associations which are not entered in the register as non-profit associations are prohibited.

## § 93. Petition for entry in register

(1) Non-profit associations, alliances of non-profit associations or other non-profit associations founded and registered in the register of enterprises, agencies and associations of the Republic of Estonia (hereinafter *enterprise register*) before 1 October 1996 which comply with the requirements specified in this Act shall be entered in the register as non-profit associations on the basis of their petitions. Non-profit associations founded pursuant to legislation in force before the entry into force of the Non-profit Associations and Their Alliances Act and which were not registered in the enterprise register shall be entered in the register as non-profit associations.

(2) A petition for entry in the register shall set out information concerning the non-profit association as provided by law, and the documents provided by law, except the memorandum of association, the certificate of registration of the non-profit association in the enterprise register and the minutes of the general meeting or meeting of proxies whereby the valid wording of the articles of association was approved and the management board which signed the petition was elected shall be appended to the petition. Instead of the certificate of registration of the non-profit association in the enterprise register, non-profit associations specified in the second sentence of subsection 1 of this section shall submit to the registrar the foundation resolution and other documents which were the basis of its foundation. A judge or assistant judge shall decide on a petition within two months after submission of the petition and all other prescribed documents. If the petition for registration of a non-profit association is reviewed by the Secretary of State and the making of the entry is decided by a judge, the Secretary of State shall sign the entry instead of the judge.

(3) For entry in the register as non-profit associations, the articles of association of non-profit associations, alliances of non-profit associations or other non-profit associations shall be brought into accordance with the provisions of this Act.

(4) Non-profit associations founded before 1 October 1996 the objective of which is the accumulation and distribution of assets for specific purposes and which have members may be transformed into a foundation pursuant to the Foundations Act. Transformation shall be decided and the new articles of association shall be adopted by the general meeting of the members of the association. Members have the rights of founders of a foundation.

(5) Upon transformation under the circumstances specified in subsection 4 of this section, the assets transferred to a foundation are exempt from income tax and value added tax.

(6) Amendments to the articles of association of non-profit associations specified in subsection 2 of § 91 of this Act and to information subject to registration in the enterprise register shall be effected pursuant to the procedure effective before 1 October 1996.

#### **§ 94. Notations in registers**

(1) Upon entry in the register as a non-profit association of a non-profit association, alliance of non-profit associations or other non-profit association which is entered in the enterprise register, a corresponding notation shall be made in the entry of the enterprise register on the basis of a notice from the registrar.

(2) Upon entry in the register as a non-profit association of a non-profit association, alliance of associations or other non-profit association founded before 1 October 1996, a notation concerning the earlier registration of the non-profit association in the enterprise register shall be made in the register, indicating the former registration number.

#### **§ 95. Deletion from register**

(1) Non-profit associations, their alliances or other non-profit associations (hereinafter *associations*) in the enterprise register which by 1 March 1999 are not entered as non-profit associations in the register or for which, by 1 March 1999, no petition for entry in the register has been submitted to the registrar or whose petition for entry in the register has been denied shall be deemed to have undergone compulsory dissolution. The term for this for political parties in the enterprise register is 1 October 1998.

(1<sup>1</sup>) The term specified in subsection 1 of this section does not extend to legal persons in the register of churches, congregations and alliances of congregations of Estonia maintained by the Ministry of Internal Affairs and such legal persons shall be entered in the register by the term and pursuant to the procedure prescribed by the Churches and Congregations Act.

(2) The registrar of the enterprise register shall publish notices of compulsory dissolutions of enterprises in the official publication *Ametlikud Teadaanded*. If the registrar makes a judgment concerning a petition for entry of an association in the register by which the registrar denies the petition after 1 March 1999, or denies the petition of a political party after 1 October 1999, the registrar shall publish a notice in the official publication *Ametlikud Teadaanded*.

(3) A notice of compulsory dissolution shall indicate that creditors and members of the association are to submit their claims within two months after publication of the notice in the official publication *Ametlikud Teadaanded* to the court according to the registered office of the association for liquidation, the appointment of liquidators or a declaration of bankruptcy.

(4) The right of representation of the management board of an association which has undergone compulsory liquidation or of the body substituting therefor shall be retained until a court appoints liquidators or declares a bankruptcy or deletes the enterprise from the enterprise register. The composition of the management board or of the body substituting therefor may be changed until such time with good reason and the permission of the court; changes in the composition of a management board or of a body substituting therefor shall enter into force as of registration in the enterprise register. The primary good reasons shall be:

- 1) a lengthy or serious illness due to which performance of the duties of the management board or of the body substituting therefor becomes impossible;
- 2) the death of a member of the management board or of the body substituting therefor or the declaration of a member of the management board or of the body substituting therefor as missing or dead or to be without active legal capacity;
- 3) the entry into force of a court judgment by which punishment with imprisonment is imposed;
- 4) the entry into force of a court judgment by which a member of the management board or of the body substituting therefor is deprived of the right to operate in a particular area of activity;
- 5) the taking up of residence in a foreign country permanently.

(5) An association which has undergone compulsory dissolution shall not:

- 1) transfer or rent immovables, movables registered in a state register (buildings, vehicles, etc.) or holdings in companies (shares) belonging to the association, or encumber immovables, movables registered in a state register (buildings, vehicles, etc.) or holdings in companies (shares) belonging to the association with a restricted real right;
- 2) amend the articles of association;
- 3) found legal persons.

(6) The restrictions provided for in clause 1 of subsection 5 of this section shall apply until a court appoints liquidators or declares a bankruptcy. Such restrictions shall apply with regard to third persons.

(7) Creditors and members of an association which has undergone compulsory dissolution may submit a petition to the court according to the registered office of the association for liquidation, appointment of

liquidators or a declaration of bankruptcy within two months after publication of the notice of compulsory dissolution in the official publication *Ametlikud Teadaanded*.

(8) The following shall be set out in a petition for liquidation submitted on the basis of subsection 7 of this section:

- 1) information on the association which has undergone compulsory dissolution, including reference to the issue of the official publication *Ametlikud Teadaanded* in which the notice of compulsory dissolution was published;
- 2) the name, residence or registered office and postal address of the petitioner;
- 3) information on the amount, basis and term for payment of the claim on which the petition is based if the petition is submitted by a creditor; in such case proof of existence of the claim on which the petition is based shall be appended to the petition;
- 4) a request for a person to be appointed as liquidator, and the name, residence and postal address of such person. The consent of a person shall be appended to the petition if the person's appointment as liquidator is requested unless the petition is for appointment of the director of an association entered in the enterprise register as liquidator. A receipt for payment of the state fee shall also be appended to the petition.

(9) The court may give preference to appointment of the director of the association entered in the enterprise register as the liquidator, who is obligated to accept the duties of liquidator unless refusal to accept such duties is due to a good reason specified in subsection 4 of this section.

(10) If the court has already appointed a liquidator for an association which has undergone compulsory dissolution, any subsequent petitions for liquidation shall be deemed to be notices of claims and the court shall forward them to the liquidator.

(11) Any person who submits a knowingly false petition for liquidation to a court shall compensate for any damage caused thereby to the association, its creditors or members.

(12) If creditors do not submit their petitions during the term specified in subsection 7 of this section or if a liquidation proceeding is completed, the association shall be deemed to be dissolved and shall be deleted from the register.

(12<sup>1</sup>) If after the dissolution of an association and its deletion from the register it becomes evident that the association has additional assets which were not taken into consideration in the liquidation proceeding, the court shall commence, on the basis of a petition by a member of the association which has been deleted from the register, a follow-up liquidation proceeding to which the provisions concerning liquidation proceedings apply. Upon the commencement of a follow-up liquidation proceeding, the notice concerning the commencement shall set out that this is a follow-up proceeding. In follow-up proceedings, creditors have no right to submit demands concerning the assets being divided.

(12<sup>2</sup>) If after the dissolution of an association and its deletion from the register it becomes evident that the association has assets but no liquidation proceeding has been conducted or the assets belong to a non-profit association which has not been registered in the register of enterprises and has been founded pursuant to legislation valid before the entry into force of the Non-profit Associations and their Alliances Act, the court shall commence, on the basis of a petition by an interested person, a liquidation proceeding to which the provisions of this section apply.

(13) If an association is dissolved due to failure to submit a petition, the director of the association entered in the enterprise register at the time of dissolution shall be deemed to be the depositary of the documents of the liquidated association and shall be entered in the enterprise register by the registrar of the enterprise register.

(14) The depositary of the documents of a liquidated association shall be responsible for the preservation of documents during the retention period prescribed by law and is required to enable persons with a legitimate interest in the matter to examine such documents.

(15) The minister in charge of the policy sector may, by a regulation, establish a specific procedure for carrying out compulsory dissolution specified in this section and establish the procedure for remuneration of liquidators and the maximum amounts of remuneration.

## **§ 96. Name of non-profit association**

(1) Upon entry of a non-profit association in the register, the registrar shall make an inquiry to the registrar of the enterprise register concerning the existence of the same or a similar name in the enterprise register.

(2) A name being applied for shall not be entered in the register if the name or a misleadingly similar name is registered in the enterprise register by another non-profit association, alliance of non-profit associations or other non-profit association before the applicant.

**§ 97. [Repealed – RT I 2002, 53, 336 – entry into force 01.07.2002]**

**§ 98. Entry in register of associations which possess weapons, are militarily organised or perform military exercises**

Non-profit associations which possess weapons, are militarily organised or perform military exercises may be entered in the register only with the consent of the Government of the Republic. The conditions and procedure for granting consent shall be provided by law.

**§ 99. Association of activities of employees' associations**

(1) Until passage of an Act providing for activities of employees' [ *töötajate*] (employees' [ *töövõtjate*]) associations, the provisions of the Estonian SSR Trade Unions Act which are not contrary to this Act apply.

(2) To trade unions, their federations and central federation in the enterprise register which have not submitted petitions for entry in the register or the petitions of which for entry in the register have been denied, § 95 of this Act applies as of 1 December 1999. Such associations may submit petitions for entry in the register until 1 December 1999.

(3) If a term for elimination of deficiencies in a petition for entry in the register has been granted to an association specified in subsection 2 of this section pursuant to § 54 of the Commercial Code, the running of the term is suspended until 1 December 1999.

(4) Liquidation proceedings shall not be conducted with regard to associations specified in subsection 2 of this section which are deemed to have undergone compulsory dissolution on the basis of § 95 of this Act.

**§ 99<sup>1</sup>. Appointment and removal of members of management board**

Until 1 January 2010, the articles of association may prescribe that another body has the right to appoint and remove members of the management board specified in clause 2 of subsection 1 of § 19 of this Act.  
[RT I 2009, 13, 78 – entry into force 01.07.2009]

**§ 99<sup>2</sup>. Becoming a member**

It shall be valid if, prior to the entry into force of subsection 5 of § 12 of this Act, a guardian becomes a member of a non-profit association on behalf of a minor ward without the prior consent or approval of a court, or grants a consent or approval for becoming a member.  
[RT I, 04.02.2011, 2 – entry into force 14.02.2011]

**§ 100.–§ 110.**[Omitted from this text.]

**§ 111. Implementing regulations**

(1) The Government of the Republic may in accordance with this Act issue regulations for implementation of this Act.

(2) [Repealed – RT I, 21.06.2014, 8 – entry into force 01.01.2015]

**§ 111<sup>1</sup>. Implementation of electronic reporting**

Subsection 5 of § 36 of this Act shall apply to annual reports which are prepared for the accounting period beginning on 1 January 2009 or later. The annual reports for earlier accounting periods shall be submitted to the regional structural unit of the Tax and Customs Board in accordance with § 55 of the Income Tax Act.  
[RT I 2008, 27, 177 – entry into force 10.07.2008]

**§ 111<sup>2</sup>. Entry of period of financial year in register**

The registrar enters the beginning and end of the financial year of the non-profit associations in the register pursuant to the articles of association without a petition for entry and ruling on entry. Section 51 of the Commercial Register Act and the second sentence of § 599 of the Code of Civil Procedure do not apply to the entry and a state fee is not charged for it.  
[RT I, 05.05.2022, 1 – entry into force 01.02.2023]

**§ 111<sup>3</sup>. Return of paper files**

Any paper documents submitted before 1 April 2014 shall be returned in a registration department until 1 January 2016.

[RT I, 21.03.2014, 3 – entry into force 01.04.2014]

#### **§ 111<sup>4</sup>. Destruction of paper files**

(1) Public and registry files on paper shall be destroyed if the files have been properly digitized and the term prescribed in § 111<sup>3</sup> of this Act for the return of the documents has expired.

(2) The procedure for digitization, return and destruction of paper files shall be established by a regulation of the minister in charge of the policy sector.

[RT I, 21.03.2014, 3 – entry into force 01.04.2014]

#### **§ 111<sup>5</sup>. Submission of annual report for 2020**

If a non-profit association has the obligation to submit the annual report to the registrar during the period from 12 March to 31 August 2020, the report must be submitted at the latest on 31 October 2020.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

#### **§ 111<sup>6</sup>. Extension of term of office of member of management board in 2020**

If the term of office of a member of the management board of a non-profit association expires during the period from 12 March to 31 August 2020, the authority of the member shall be deemed to be extended until the election of a new member of the management board but not for longer than until 31 October 2020.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

#### **§ 111<sup>7</sup>. Majority requirement upon adoption of resolution without calling meeting**

If the articles of association of a non-profit association prescribe that the consent of all the members is required to adopt resolutions without calling a meeting, the members of the non-profit association may adopt resolutions in such manner until 31 October 2020 by applying the majority requirement provided for in subsection 3 of § 22 of this Act.

[RT I, 23.05.2020, 2 – entry into force 24.05.2020]

#### **§ 112. Entry into force of Act**

This Act enters into force on 1 October 1996.